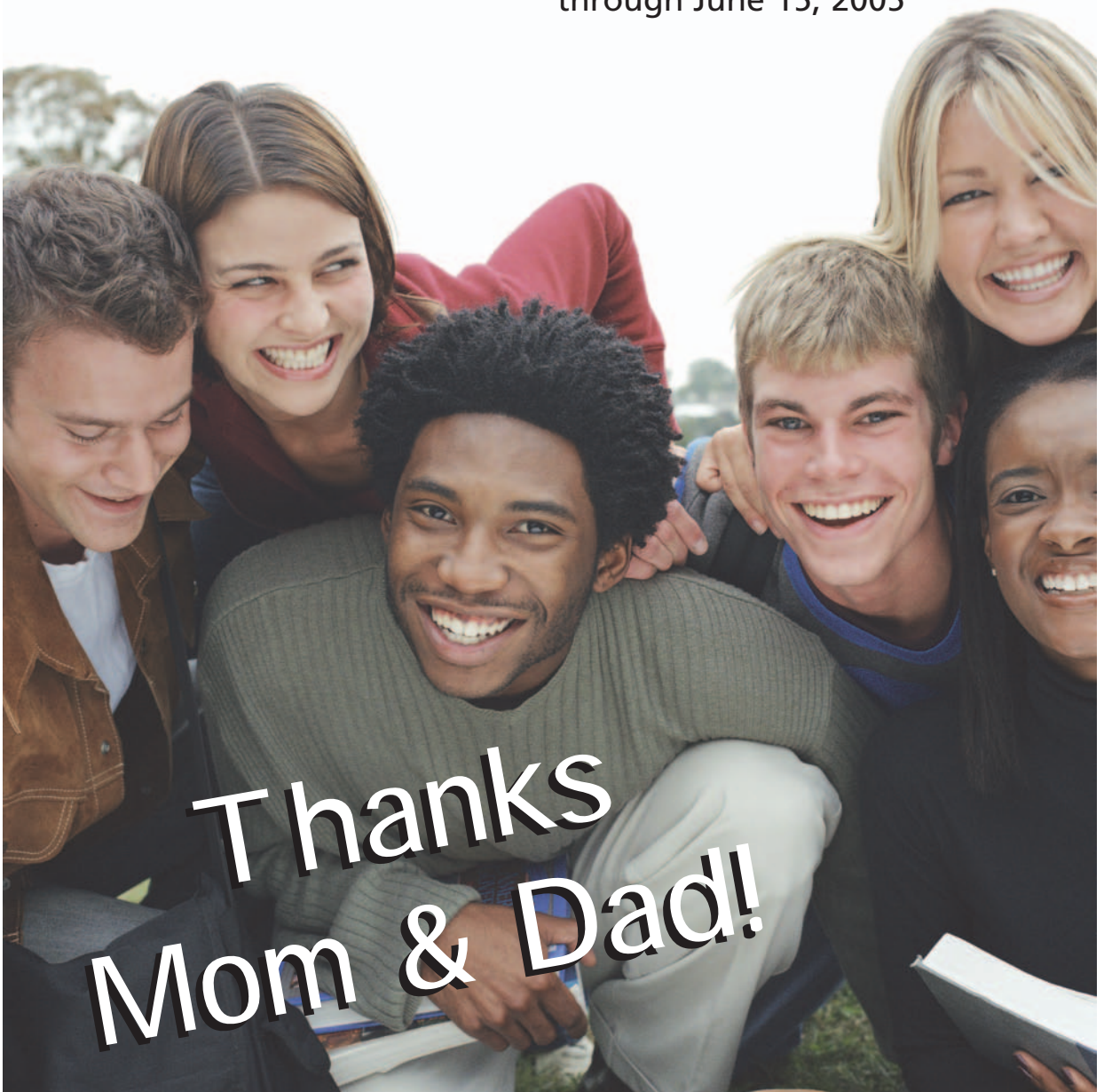


Contract Enrollment Booklet

Tomorrow's Tuition... SET with MET!

Enroll September 1, 2004
through June 15, 2005



**Thanks
Mom & Dad!**

www.met4kid.com



FEATURES & BENEFITS

Michigan Education Trust covers tuition and mandatory fees

- **PEACE OF MIND FOR PARENTS**

Buy tomorrow's education at today's tuition price

- **HOPE & OPPORTUNITY FOR YOUNG CHILDREN**

Encourages students to excel and provides an opportunity to save for higher education

- **FLEXIBILITY**

Students have nine years to utilize tuition benefits

- **PORTABILITY**

Students may direct a payment to any baccalaureate degree granting university in the nation

- **TAX INCENTIVES**

Total contract price can be deducted from state income tax; prepaid tuition earnings are tax exempt when benefits are used for higher education

- **PURCHASE OPTIONS**

Lump sum, monthly, ACH or payroll deduction

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THE MET PROGRAM: A SUMMARY

The Michigan Education Trust (MET), Michigan's guaranteed tuition program, allows parents, grandparents, businesses and others to prepurchase undergraduate tuition for a child residing in Michigan at any Michigan public university or college, including 28 public community colleges. There need not be a relationship between the purchaser and the child. MET also provides benefits if a student chooses to attend a Michigan independent (private) or out-of-state college or university, although it does not cover full tuition at these schools. It is designed to help students and their families save for a future college education. MET is an important part of Michigan's strong commitment to higher education, students and their families.

Over 74,000 MET contracts have been purchased. Approximately 15,650 students are currently using their MET benefits at Michigan public universities and colleges, Michigan independent (private) colleges and over 960 out-of-state institutions.

A nine-member Board of Directors with public and private sector members oversees the program. By law, the Board must have representation from the academic, business and/or financial fields.

MET's Guarantee

Under the contract, MET will guarantee payment of tuition and mandatory fees without further charge for the educational benefits you have paid for. MET guarantees in-state tuition at public four-year colleges and universities in Michigan or in-district tuition at public community colleges in Michigan.

It is important that you understand the nature of this guarantee. MET is a public body created by Michigan's Legislature, administratively housed within the Michigan Department of

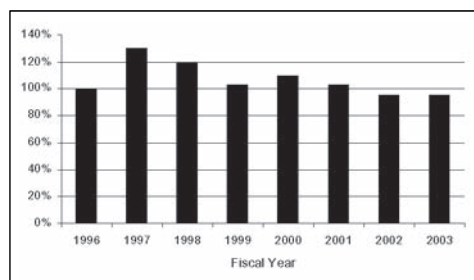
Treasury. MET must operate and finance its activities only through its assets. To protect its assets from other uses by the State, only MET, and not the State, controls its assets.

Your contract will be a "Plan D" contract. All assets from Plan D contracts will secure your contract. Because MET's guarantee is based on those assets, it is limited. While your contract is also made on behalf of the State, the Legislature would need to appropriate funds, a discretionary act, for any State subsidy to the MET program.

In order to protect you and your beneficiary, an actuarial review will be made annually and future contract prices will be adjusted to ensure MET's actuarial soundness. If the assets pledged to your contract and future contract payments from similar contracts are not sufficient to maintain MET's actuarial soundness, and if the Legislature does not appropriate sufficient money to MET, these assets will be returned to you and other purchasers on a pro rata basis. Further explanation of this is in Section 8 of the contract.

Current Actuarial Review

By law, an actuarial evaluation must be performed annually to determine MET's ability to pay future benefits. As of September 30, 2003 MET Plan D is actuarially sound and able to pay benefits through 2021 even if no new contracts were issued. It is important to note that new contracts were issued in 2004 and it is intended that new contracts will be offered in future years.



The funding level increased by two percent during the 2002-03 fiscal year, despite reduced





investment returns, which is reflective of the stock market's performance in that period, and higher than expected tuition increases. During the 2004 contract enrollment period, 2,600 new contracts were purchased and \$32.1 million received in prepaid tuition amounts. The next actuarial review will cover the fiscal year ending September 30, 2004. Upon completion of the actuarial review, an annual report is prepared and sent to all MET purchasers as required by law.

Administrative Costs

Up to one percent of the total asset value can be used for program administration. However, for fiscal year 2003 only 0.25 percent of the total assets were used for program administration. The only fees charged are a processing fee, transfer fee, termination fee or monthly purchase late fee. No other fees will be charged.

Eligibility to Enter into a MET Contract

The purchaser and beneficiary must meet all the eligibility criteria to enter into a contract. The purchaser must reside in the United States, and if not a Michigan resident, enrollment in MET will be conditioned upon MET's ability to comply with that state's securities laws. MET contracts cannot be purchased by individuals residing in Arizona, Illinois, New York, North Dakota, Ohio and Vermont.

The purchaser must sign the MET Contract Signature Page and the total contract price must be sent by mail to the MET office, taken to a Treasury office or submitted electronically by enrolling on-line. If the purchaser elects to make monthly purchases, only the processing fee must be submitted with the Contract Signature Page. See Contract Section 3.

The beneficiary must be a Michigan resident at the time of purchase and must be within the age or grade requirements provided on the price chart.

Educational Benefits Provided

The University Full Benefits Plan Contract provides in-state tuition and mandatory fees at any Michigan public university or in-district or out-of-district (as defined in the contract) tuition and mandatory fees at Michigan public community colleges up to the number of credit hours required for a standard four-year undergraduate baccalaureate degree (usually 120 semester credit hours). Individuals may purchase in semester increments up to 8 semesters (4 years) of tuition.

The University Limited Benefits Plan Contract provides in-state tuition and mandatory fees at Michigan public universities or in-district or out-of-district (as defined in the contract) tuition and mandatory fees at Michigan public community colleges whose tuition does not exceed 105 percent of the weighted average tuition of all Michigan public four-year universities. This does not exclude a student from attending any Michigan public university or college; however, full tuition will not be provided for those Michigan public universities or colleges whose tuition exceeds 105 percent of the weighted average tuition.

Students who attend a Michigan public university or college where tuition is not fully covered under the Limited Benefits Plan Contract will receive the number of credit hours MET can purchase at the time of college enrollment with 105 percent of the weighted average tuition of all Michigan public four-year universities. For example, in 2004, if a student with a four-year Limited Benefits Plan Contract attends the University of Michigan, Ann Arbor, MET will pay for 92 credit hours. If that student attends Michigan State University, MET will pay for 108 credit hours. If that student attends Michigan Technological University, MET will pay for 104 credit hours (a standard 4-year baccalaureate degree requires 120 semester credit hours). Individuals may purchase in semester increments up to 8 semesters (4 years).

The Community College Plan Contract provides only in-district tuition and mandatory fees at any Michigan public community college. An individual may purchase in semester increments up to 4 semesters (2 years) under this contract. Some areas of the State are not within



a community college district. Students who attend a community college out of their district will be responsible to pay the difference between the out-of-district and in-district tuition

cost. MET does not cover room, board, books, non-mandatory fees and other expenses.

If a beneficiary attends a Michigan independent (private) college or university, an out-of-state institution, or attends a college/university under a full tuition scholarship, refer to the paragraph entitled "Using MET to Attend Other Colleges" on page 5.

Monthly Purchase Contracts

The purchaser of a monthly purchase contract acquires a percentage of educational benefits with every monthly purchase amount received by MET. The percentage of educational benefits purchased differs based on the number of years over which the purchaser elects to make monthly purchases. See Contract Section 3(g). The rate of return assumed will be 8.1 percent per year and is included in the monthly purchase amounts in the price chart.

A purchaser must make monthly purchases as required. The purchaser must pay a \$10.00 late fee for each monthly purchase which is made after the monthly purchase due date. The purchaser must pay the monthly purchase amount and the applicable late fee within 60 days from the scheduled monthly purchase due date or he/she may not continue making monthly purchases.

A purchaser is not obligated to continue making monthly purchases. If a purchaser elects to discontinue making monthly purchases, MET has no legal right to pursue the purchaser to make monthly purchases. A purchaser who discontinues making monthly purchases will acquire only those educational benefits for which monthly purchases have been accepted by MET. The monthly purchases accepted remain with MET until the beneficiary reaches age 18 or graduates from high school. A purchaser may enroll to acquire additional educational benefits during a future enrollment period at the new cost. Monthly purchases can be made by coupon book, payroll deduction or Automatic Clearing House (ACH). Initially, a coupon book will be sent and will include a coupon to request payroll deduction or ACH. Depending on the date a monthly purchase contract is submitted, monthly payment will begin either February 25, May 25 or September 25, 2005. Subsequent monthly payments are due on the 25th of each month.

If the purchaser wishes to pay the entire balance due more than one year before the final monthly purchase amount is due, MET will provide the purchaser an early payment discount.

Transferring Between Colleges/Universities

With the University Full Benefits and Limited Benefits Contracts, beneficiaries may attend a Michigan public community college before attending a Michigan public university. If the beneficiary has four years of educational benefits and the beneficiary attends a Michigan public community college for not more than two academic years or receives an associate degree within two academic years before transferring to a Michigan public university, the beneficiary will be entitled to the number of additional credit hours required to complete a four-year baccalaureate degree. This will apply even if all credit hours at the community college do not transfer to the Michigan public university. This does not apply if the beneficiary has less than four years of educational benefits or if the beneficiary transfers to a Michigan public

university after attending more than two academic years at a Michigan public community college, unless the beneficiary of four years of educational benefits receives an associate degree within two academic years. In those cases, the beneficiary will receive only the credit hours remaining under the contract. Transfers among all Michigan public institutions are permitted. See Contract Section 2.

Use of Educational Benefits

The purchaser must specify on the contract the academic year the beneficiary is expected to begin college pursuant to the price/academic year chart on page 14. That date determines the time period in which the beneficiary will have to use the educational benefits.

The beneficiary must notify MET when he or she is ready to begin college. A student handbook which contains the forms and instructions for activating a MET contract is sent to eligible beneficiaries in the spring of their senior year of high school. See Contract Section 5.

A beneficiary who advances through high school at an accelerated pace may use his/her educational benefits early. Documentation of the beneficiary's acceleration is required by MET.

A beneficiary has nine years from the beginning of the academic year specified in the contract to use all educational benefits under the contract. Failure to completely exercise his or her rights under the contract within nine years will result in the contract termination and a refund of only the contract price MET received less the value of educational benefits or refund previously received. See Contract Sections 5 and 8.

Contract Transferability to Family Members

MET recognizes the importance of the ability to transfer all or a portion of the contract benefits. Under certain conditions, educational benefits may be transferred to an immediate family member as defined in the contract. However, educational benefits may not be transferred if more than one-half of the

credit hours required for the awarding of a four-year baccalaureate degree have been earned by the beneficiary at a Michigan public university. To protect MET, the transfer will be subject to an additional contract payment if the new beneficiary is older than the original beneficiary and the new beneficiary was ineligible to purchase the contract in the year the contract was purchased. No payment of any type can be made to anyone, except MET, for transfer of a contract. See Contract Section 6.



Using MET to Attend Other Colleges

To provide purchasers and beneficiaries flexibility, the contract provides detailed termination and refund provisions. If the beneficiary chooses to go to a Michigan independent (private) college or university or to an out-of-state college, MET does not provide full tuition at those institutions and, to that extent, the right to educational benefits will end. See Contract Section 7 and the Termination Refund Provisions chart on pages 12 & 13.

When students with a Full Benefits Plan Contract choose to attend a Michigan independent (private) college or university and direct the refund to the institution, MET will make refund payments based on the weighted average tuition of all Michigan public four-year universities. When students choose to attend an out-of-state college and direct the refund to the institution, or when students receive a full-tuition scholarship, refund payments will be based on the average tuition of all Michigan public four-year universities. Students choosing not to attend college will receive refund payments based on the Michigan public four-year university with the lowest tuition.

When students with a Limited Benefits Plan Contract choose to attend a Michigan independent (private) college or university and direct the refund to the institution, MET will make refund payments based on the weighted average tuition of the Michigan public four-year universities whose tuition does not exceed 105 percent of the weighted average tuition. Students choosing to attend an out-of-state college, who

receive a full-tuition scholarship or who choose not to attend college will receive refund payments based on the Michigan public four-year university with the lowest tuition.

When students with a Community College Plan Contract choose to attend a Michigan public university or a Michigan independent (private) college or university and direct the refund to the institution, MET will make refund payments based on the weighted average tuition of Michigan's public community colleges. When students choose to attend an out-of-state college and direct the refund to the institution or when students receive a full tuition scholarship, refund payments will be based on the average tuition of Michigan public community colleges. Students not attending college will receive refund payments based on the Michigan public community college with the lowest tuition.

Termination Refund Provisions

Use the chart on pages 12 & 13 to see the conditions under which refunds can be made. In accordance with the MET law, refund amounts are determined in the year the contract is terminated (as allowed by the beneficiary's expected academic year). Under the Full and Limited Benefits Contracts, the refund amounts do not change to reflect tuition increases after the first year the contract is terminated. Under the Community College Contract, the refund amounts may be adjusted when a student attends a college/university.

Loss of Refunds

The most significant restriction on termination of the MET contract is a provision in the law which prohibits termination if the beneficiary has earned more than one-half of the credit hours necessary to receive a four-year baccalaureate degree at a Michigan public four-year university. For example, if the beneficiary has a contract for one or two years of



educational benefits and plans to use it for the junior or senior year in college, the contract cannot be terminated after the beneficiary has completed more than 60 semester credit hours at a Michigan public four-year university. The right to request a refund may also be lost in instances of failure to use educational benefits or to receive a full refund within nine years from the beginning of the academic year specified in the contract. See Contract Section 8.

Responsibility for Academic Achievement

While this summary outlines many of the responsibilities of the purchaser and beneficiary, the most important responsibility is the obligation of academic achievement. Educational benefits under MET contracts are conditioned upon the beneficiary's acceptance at a Michigan public college or university. MET does not guarantee acceptance.

Tax Issues

This tax discussion is included for general information only. Consult a tax advisor for advice on how the purchaser/beneficiary might be specifically affected as a result of program participation.

State Income Tax Deduction

A purchaser may deduct the amount paid for a contract from taxable income when determining Michigan income tax for the year in which the contract is purchased.

Federal and State Income Tax Matters

MET is a qualified tuition program under Section 529 of the Internal Revenue Code. Starting January 1, 2002, MET benefits used to pay college tuition and mandatory fees are exempt from federal and Michigan income taxes. If, however, a MET contract is terminated and the refund is not used to pay qualified higher education expenses, contract "earnings" (the value of the refund over the amount paid for the corresponding portion of the contract) could be subject to federal and Michigan income taxes **and a 10% federal excise tax**. The person receiving the refund will be responsible for those taxes.

Unless extended by Congress, this federal tax exemption, like all tax changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001, is scheduled to expire at the end of 2010.

The Hope Scholarship credit allows a credit against federal income tax of up to \$1,500 each year for qualified tuition and fees paid for the first two years of a student's post-secondary education. The Lifetime Learning credit allows a credit against federal income taxes equal to 20% of tuition and fees paid on behalf of the taxpayer, the taxpayer's spouse, or any dependent.

MET benefits may not be used for the same expenses for which a Hope Scholarship or Lifetime Learning Credit is claimed.

There is also a deduction for up to \$4,000 for higher education tuition and fees available for federal income tax purposes. Subject to income limitations, the amount reflecting the cost of purchasing a MET contract, when used to pay tuition and fees, may qualify for the Tuition and Fees Deduction. The Tuition and Fees Deduction can't be claimed for any expense for which a Hope Scholarship or Lifetime Learning Credit is claimed.

You may purchase a MET contract and contribute to a Coverdell Education Savings Account (ESA) in the same year without penalty.

These descriptions of the Hope Scholarship Credit, Lifetime Learning Credit, Tuition and Fees Deduction, and Coverdell ESA are not exhaustive, therefore, you should consult with a tax advisor concerning specific questions on how the federal tax law may affect you.

Federal Gift Tax

A MET contract purchase constitutes a gift from the purchaser to the beneficiary, other than a purchaser. That gift does not require payment of any federal tax until the purchaser has made lifetime gifts in excess of the corresponding unified credit amount. (In 2004, the lifetime gift amount is \$1,000,000 for an individual.) The purchaser must file a Federal Gift Tax Return (Form 709) for the year the contract is purchased. A special election exists that allows the contributor to elect to prorate the entire taxable gift amount that exceeds the annual "present interest" gift tax exclusion limit,

allowing the contributor to have the contribution treated as if prorated over a five-year period.

Financial Aid

The purchase of a MET contract, like any other investment that is made in a child's name, will have an effect on the child's ability to receive various forms of financial aid. Currently, financial aid eligibility is based on a number of factors, including a family's size, income, assets and the age of the parents. It cannot be determined what effect a MET contract may have on future financial aid eligibility until the beneficiary actually applies for financial aid. There are three major sources of financial aid—federal government, state government and colleges and universities. Each entity has different rules regarding financial aid eligibility. Before a decision to purchase a MET contract is made, the purchaser may wish to check with these entities regarding how it affects financial aid eligibility.

Impact on Medicaid Eligibility

Purchasing a MET contract could adversely impact your eligibility for federal and state health care assistance programs and, in particular, Medicaid long term care assistance. When determining Medicaid eligibility, it is probable that Medicaid authorities will consider the MET contract to be the Purchaser's "available" asset for up to 36 months after the Contract's purchase.

MET's Privacy Policy

MET collects non-public personal information about contract purchasers, appointees, and beneficiaries from the following sources:

- Information we receive from applications or other forms
- Information about your transactions with us.

We do not disclose any non-public personal information to anyone except companies that perform marketing or administrative services on our behalf, the Michigan Education Savings Program, or as required by law.

MET restricts access to your personal and account information to those employees who need to know that information to provide products or services to you. MET maintains physical, electronic, and procedural safeguards that comply with federal regulations to guard your non-public personal information.

QUESTIONS AND ANSWERS

1. How does MET pay for future tuition?

The State's experienced money managers at the Department of Treasury invest the money paid by MET Purchasers. Currently those funds are conservatively invested in equities (up to 30%) and bonds. MET uses the funds and investment earnings to pay MET beneficiaries' tuition costs and mandatory fees.

2. Who manages the MET fund investments?

The Department of Treasury, Bureau of Investments, manages MET's investments. These professionals successfully manage the state's \$46.7 billion pension system, which is the 13th largest public pension system in the nation and the 29th largest pension system in the world.

3. Are MET purchases made with pre-tax or after-tax dollars?

When purchasing a MET contract you are using after-tax dollars. Pre-tax contributions are usually reserved for 401(k) types of retirement plans.

4. Must a student use his or her MET contract immediately after high school graduation?

No. A student has nine academic years from the expected high school graduation year to use all credit hours or completely receive a refund.

5. Can MET students attend any Michigan public university or college?

Yes. MET benefits can be used at any Michigan public university or college upon the student meeting that institution's admission standards. MET does not guarantee that a student will be admitted to any Michigan university or college.

6. What are the mandatory fees?

Mandatory fees are those required to be paid by all students attending a particular university/college. Application fees, contact hour fees and fees which are course specific (such as lab fees for science and computer classes, etc.), or fees assessed based on the number of credit hours enrolled are not covered. Also, MET does not pay for room and board or books.

7. What if my student's major requires more than 120 credit hours?

There are some standard four-year baccalaureate degrees which require more than 120 credit hours. A student may submit a Notice to Declare a Major Area of Study form to MET in his or her junior or senior year in college. MET will verify the number

of additional credit hours to be covered, if any, consistent with the contract requirements for a standard four-year baccalaureate degree. If MET pays for courses that are repeated to improve a student's grade point average or for incomplete, failed or withdrawn classes, they will count against the total number of credit hours allowed under the contract. MET does not cover the cost of contact hours (hours spent with the instructor).

8. Can credit hours be applied to Graduate School or Advanced Programs?

MET contracts are designed to cover undergraduate courses. However, if a student graduates from college and has credit hours remaining on his or her MET contract, they may use them toward graduate school or an advanced program at a Michigan public university or college at the undergraduate tuition rate.

9. Will MET cover tuition for a student that moves out-of-state after a contract has been purchased but wants to attend a Michigan public college or university?

Under the Full and Limited Benefits Contracts, MET provides payment of in-state undergraduate tuition and mandatory fees at a Michigan public university. Each university determines residency requirements. A student who moves out of the state of Michigan after the contract has been purchased and still wishes to utilize the tuition benefits may do so. In such cases, if the university deems the student an out-of-state resident, MET will provide in-state tuition and mandatory fees and the student will be responsible to pay the difference between the out-of-state and in-state tuition costs directly to the university.

10. What if my student receives a full scholarship?

If a beneficiary receives a full tuition scholarship he or she may terminate the contract and the refund designee will receive a refund of the average tuition. A full scholarship must be equivalent to or greater than the contract years purchased. For example, the student owns a 2-year contract and is awarded a 2-year scholarship; a 4-year tuition scholarship; a 2-year community college scholarship; or a 1-year scholarship renewable for four years.

11. What if my student receives a partial or Merit Award Scholarship?

Students who receive partial tuition scholarships, grants, or other types of tuition assistance (including faculty/employee benefits paid by a public institution) may not need all of the educational benefits provided under the MET contract. The institution should invoice MET for all credit hours for which a student enrolls. Any excess amount should be refunded to the student by the institution.

12. What if a student decides not to attend college?

When a student reaches 18 years of age or receives a high school diploma, the student has the option of transferring the contract to an immediate family member or terminating the contract to obtain a refund paid to the refund designee.

13. Who can terminate a MET contract?

Only a student who is at least 18 years of age or has obtained a high school diploma may terminate a contract. Therefore, neither a parent nor a purchaser can terminate a MET contract for any reason. The only exception is if the student has died or is diagnosed as learning disabled, then a person with legal authority to act on behalf of the student may terminate the contract.

14. If my student terminates the contract, will there be a lump sum refund?

No. Pursuant to the MET statute, termination refunds are made in four annual installments for the Full or Limited Benefits Contract if terminating to attend an out-of-state college, receive a full scholarship or not attend college.

If terminating a Community College Contract, refunds are made in two annual installments. A lump sum refund is provided upon death or learning disability of the beneficiary. See the Termination Refund Provisions chart on pages 12 and 13.

15. What provisions can be made if my student terminates the contract for a refund for any reason and later decides to attend a Michigan public college?

None. The MET contract does not permit the reinstatement of a contract once it has been terminated and a full or partial refund has been made.

16. What if a Purchaser dies?

If a purchaser of a lump sum contract dies, the executor of the estate should submit a copy of the death certificate, last will and testament and a letter of authority from Probate Court. If a purchaser dies without a will, the executor should contact the MET office. The executor of the estate can add an appointee to the contract and change the refund designee, if necessary. However, if the beneficiary is the refund designee, a change is not allowed.

If a purchaser of a monthly purchase contract in payment status dies, the total monthly purchases received remain with MET until the beneficiary is 18 years old or graduates from high school. The estate may pay the contract in full or a different person may purchase another contract.

17. What if a Purchaser divorces?

Only one person can be named on the Contract Signature Page as a purchaser. Once the contract is accepted by MET the contract belongs to the Beneficiary. If the purchaser is named as the refund designee, he or she will retain the right to a refund if the beneficiary decides not to attend college or the right to change the refund designee, if desired.

18. Do any other states offer a similar program?

Michigan was the first state to adopt a prepaid tuition program, however, 20 states have adopted similar prepaid programs and 50 states and the District of Columbia have adopted college savings programs. For more information on states with similar programs you may call the College Savings Plans Network at 1-877-CSPN-4-YOU (1-877-277-6496) or you may obtain information on the Internet at www.collegesavings.org.

19. Does the State of Michigan offer any other education savings programs?

The Michigan Education Savings Program (MESP) offers three investment options to encourage families to save for higher education. Savings may be used for tuition, fees, room, board, books and equipment required for enrollment. For more information visit the MESP Web site at www.misaves.com or call toll free at 1-877-861-MESP.

20. Can another 529 program be used to purchase a MET contract?

Yes. A rollover form must be submitted with the contract signature page.

21. Can a MET contract be rolled over to another Section 529 Program?

The Beneficiary may rollover MET funds to another 529 program once they reach age 18 or graduate from high school.

22. If I submit a monthly purchase contract, when will my monthly purchases begin?

If a monthly purchase contract is submitted between September 1 and December 31, 2004, the first monthly payment will be due February 25, 2005. For monthly purchase contracts submitted between January 1 and April 30, 2005, the first monthly payment will be due May 25, 2005. Monthly purchase contracts submitted between May 1 and June 15, 2005, the first monthly payment will be due September 25, 2005.

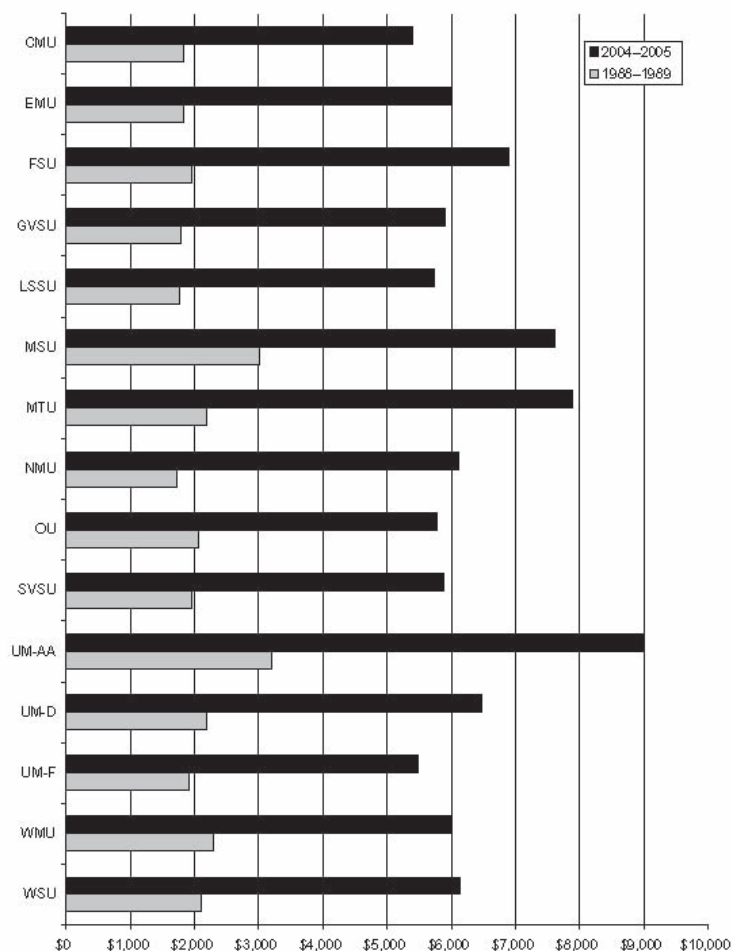
23. Is there a telecommunications device for the speech/hearing impaired?

Yes. The Department of Treasury TTY number is (517) 636-4999.

TUITION & MANDATORY FEES AT MICHIGAN PUBLIC 4-YEAR UNIVERSITIES

		1988–1989	2004–2005
CMU	Central Michigan University	\$1,827	\$5,399
EMU	Eastern Michigan University	1,820	5,988
FSU	Ferris State University	1,947	6,910
GVSU	Grand Valley State University	1,794	5,907
LSSU	Lake Superior State University	1,767	5,736
MSU	Michigan State University	3,017	7,608
MTU	Michigan Technological University	2,193	7,880
NMU	Northern Michigan University	1,729	6,104
OU	Oakland University	2,065	5,785
SVSU	Saginaw Valley State University	1,959	5,888
UM-AA	University Of Michigan-Ann Arbor	3,191	8,987
UM-D	University Of Michigan-Dearborn	2,190	6,482
UM-F	University Of Michigan-Flint	1,920	5,476
WSU	Wayne State University	2,289	6,016
WMU	Western Michigan University	2,104	6,144

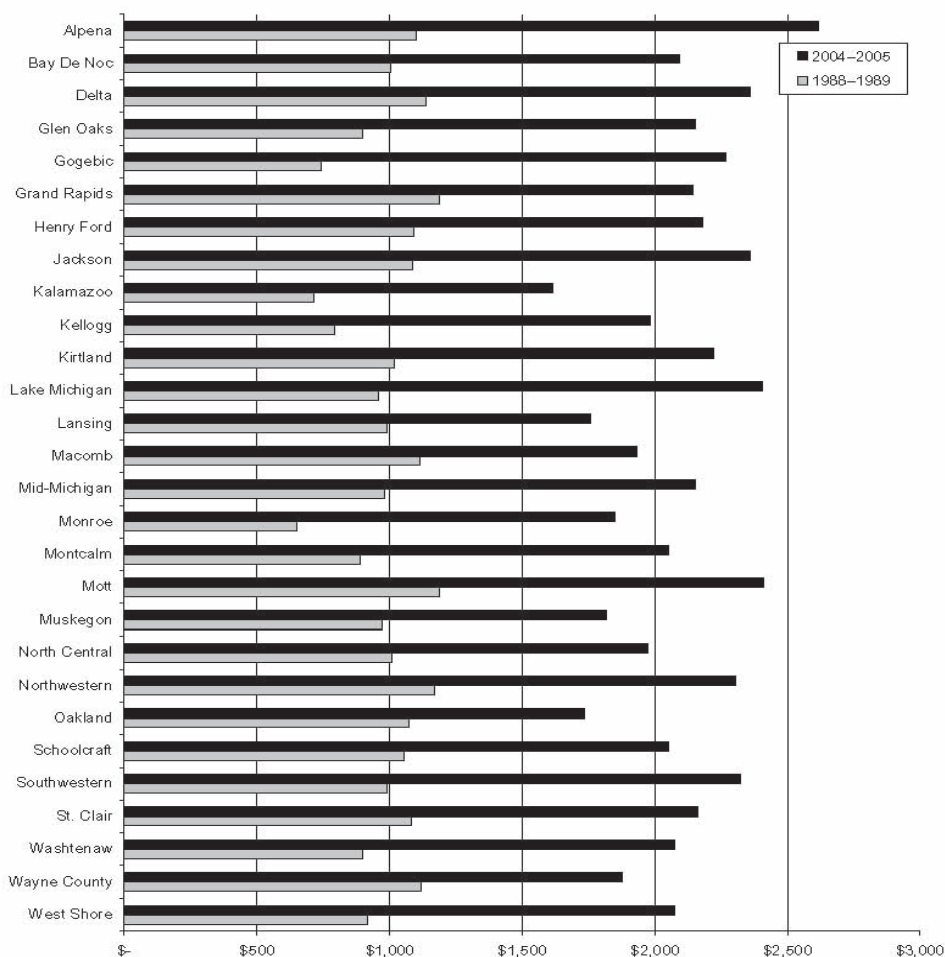
Amounts based on one year (31 semester credit hours)



TUITION & MANDATORY FEES AT MICHIGAN PUBLIC COMMUNITY COLLEGES

	1988-1989	2004-2005		1988-1989	2004-2005
Alpena	\$1,103	\$2,616	Mid-Michigan	\$980	\$2,152
Bay De Noc	1,005	2,095	Monroe	651	1,848
Delta	1,139	2,360	Montcalm	892	2,051
Glen Oaks	899	2,155	Mott	1,187	2,409
Gogebic	742	2,266	Muskegon	971	1,817
Grand Rapids	1,187	2,146	North Central	1,008	1,975
Henry Ford	1,094	2,180	Northwestern	1,172	2,303
Jackson	1,089	2,361	Oakland	1,073	1,735
Kalamazoo	713	1,617	St. Clair	1,085	2,164
Kellogg	791	1,984	Schoolcraft	1,053	2,050
Kirtland	1,020	2,223	Southwestern	992	2,322
Lake Michigan	961	2,407	Washtenaw	899	2,077
Lansing	992	1,760	Wayne County	1,121	1,879
Macomb	1,115	1,931	West Shore	918	2,075

Amounts based on one year (31 semester credit hours)



TERMINATION REFUND PROVISIONS*

Reason

Full Benefits Contract

ATTENDS MICHIGAN INDEPENDENT (PRIVATE) COLLEGE OR UNIVERSITY AND DIRECTS PAYMENT TO THE UNIVERSITY/COLLEGE.	Weighted average tuition of Michigan public four-year universities. Paid as necessary to cover tuition and mandatory fees.
ATTENDS OUT-OF-STATE INSTITUTION AND DIRECTS PAYMENT TO THE UNIVERSITY/COLLEGE.	Average tuition of Michigan public four-year universities. Four annual installments paid as necessary to cover tuition.
RECEIVES A FULL TUITION SCHOLARSHIP.	Average tuition of Michigan public four-year universities. Four annual installments paid to the person specified in the contract.
BENEFICIARY DIES OR BECOMES DISABLED.	Lowest tuition of Michigan public four-year universities. Lump sum paid within 60 days to the person specified in the contract.
BENEFICIARY DOES NOT PLAN TO ATTEND COLLEGE.	Lowest tuition of Michigan public four-year universities. Four annual installments paid to the person specified in the contract.**
ATTENDS MICHIGAN INDEPENDENT (PRIVATE) COLLEGE OR UNIVERSITY OR OUT-OF-STATE INSTITUTION BUT DOES NOT DIRECT PAYMENT TO THE UNIVERSITY/COLLEGE.	Lowest tuition of Michigan public four-year universities. Four annual installments paid to the person specified in the contract.
ATTENDS A MICHIGAN PUBLIC COMMUNITY COLLEGE.	Lowest tuition of Michigan public four-year universities. Payment is directed to the college to cover tuition and mandatory fees. Any remaining amount is refunded at the end of the fourth year to the person specified in the contract.
ANY OTHER REASON.	Lowest tuition of Michigan public four-year universities. Four annual installments paid to the person specified in the contract.**
ATTENDS A MICHIGAN PUBLIC UNIVERSITY AND DIRECTS PAYMENT TO THE UNIVERSITY.	N/A
ATTENDS A MICHIGAN PUBLIC UNIVERSITY BUT DOES NOT DIRECT PAYMENT TO THE UNIVERSITY.	N/A

* In accordance with the MET law, refund amounts are determined in the year the contract is terminated (as allowed by the beneficiary's expected academic year). Under the Full and Limited Benefits Contracts, the refund amounts do not change to reflect the tuition increases after the first year the contract is terminated. Under the Community College Contract, the refund amounts may be adjusted when a student attends a college/university.

** A \$100 termination fee is deducted from the first refund installment.

Limited Benefits Contract

Community College Contract

Weighted average tuition of Michigan four-year public universities whose tuition costs do not exceed 105% of weighted average. Paid as necessary to cover tuition and mandatory fees.	Weighted average tuition of Michigan community colleges. Two annual installments paid as necessary to cover tuition and mandatory fees.
Lowest tuition of Michigan public four-year universities. Four annual installments paid as necessary to cover tuition.	Average tuition of Michigan community colleges. Two annual installments paid as necessary to cover tuition and mandatory fees.
Lowest tuition of Michigan public four-year universities. Four annual installments paid to the person specified in the contract.	Average tuition of Michigan community colleges. Two annual installments paid to the person specified in the contract.
Lowest tuition of Michigan public four-year universities. Lump sum paid within 60 days to the person specified in the contract.	Lowest tuition of Michigan community colleges. Lump sum paid within 60 days to the person specified in the contract.
Lowest tuition of Michigan public four-year universities. Four annual installments paid to the person specified in the contract.**	Lowest tuition of Michigan community colleges. Two annual installments paid to the person specified in the contract.**
Lowest tuition of Michigan public four-year universities. Four annual installments paid to the person specified in the contract.	Lowest tuition of Michigan community colleges. Two annual installments paid to the person specified in the contract.
Lowest tuition of Michigan public four-year universities. Payment is directed to the college to cover tuition and mandatory fees. Any remaining amount is refunded at the end of the fourth year to the person specified in the contract.	N/A
Lowest tuition of Michigan public four-year universities. Four annual installments paid to the person specified in the contract.**	Lowest tuition of Michigan community colleges. Two annual installments paid to the person specified in the contract.**
N/A	Weighted average tuition of Michigan community colleges. Two annual installments paid as necessary to cover tuition and mandatory fees.
N/A	Lowest tuition of Michigan community colleges. Two annual installments paid to the person specified in the contract.



PRICE/ACADEMIC YEAR CHARTS



FULL BENEFITS - LUMP SUM PURCHASE PLAN

Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Lump Sum 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Lump Sum 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Lump Sum 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Lump Sum 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$3,514	\$7,028	\$10,542	\$14,056	\$17,570	\$21,084	\$24,598	\$28,112
2022	Newborn (before 12/1/04)	\$3,514	\$7,028	\$10,542	\$14,056	\$17,570	\$21,084	\$24,598	\$28,112
2021	1	\$3,540	\$7,080	\$10,620	\$14,160	\$17,700	\$21,240	\$24,780	\$28,320
2020	2	\$3,567	\$7,134	\$10,701	\$14,268	\$17,835	\$21,402	\$24,969	\$28,536
2019	3	\$3,593	\$7,186	\$10,779	\$14,372	\$17,965	\$21,558	\$25,151	\$28,744
2018	4 (or older & not in school)	\$3,620	\$7,240	\$10,860	\$14,480	\$18,100	\$21,720	\$25,340	\$28,960
2017	Kindergarten	\$3,647	\$7,294	\$10,941	\$14,588	\$18,235	\$21,882	\$25,529	\$29,176
2016	First Grade	\$3,674	\$7,348	\$11,022	\$14,696	\$18,370	\$22,044	\$25,718	\$29,392
2015	Second Grade	\$3,701	\$7,402	\$11,103	\$14,804	\$18,505	\$22,206	\$25,907	\$29,608
2014	Third Grade	\$3,729	\$7,458	\$11,187	\$14,916	\$18,645	\$22,374	\$26,093	\$29,832
2013	Fourth Grade	\$3,757	\$7,514	\$11,271	\$15,028	\$18,785	\$22,542	\$26,299	\$30,056
2012	Fifth Grade	\$3,785	\$7,570	\$11,355	\$15,140	\$18,925	\$22,710	\$26,495	\$30,280
2011	Sixth Grade	\$3,813	\$7,626	\$11,439	\$15,252	\$19,065	\$22,878	\$26,691	\$30,504
2010	Seventh Grade	\$3,842	\$7,684	\$11,526	\$15,368	\$19,210	\$23,052	\$26,894	\$30,736
2009	Eighth Grade	\$3,870	\$7,740	\$11,610	\$15,480	\$19,350	\$23,220	\$27,090	\$30,960
2008	Ninth Grade	\$3,910	\$7,820	\$11,730	\$15,640	\$19,550	\$23,460	\$27,370	\$31,280
2007	Tenth Grade	\$4,375	\$8,750	\$13,125	\$17,500	\$21,875	\$26,250	\$30,625	\$35,000
2006	Eleventh Grade	\$4,375	\$8,750	\$13,125	\$17,500	\$21,875	\$26,250	\$30,625	\$35,000
2005	Twelfth Grade	\$4,375	\$8,750	\$13,125	\$17,500	\$21,875	\$26,250	\$30,625	\$35,000

FULL BENEFITS - MONTHLY PURCHASE PLAN: 4 YEAR - 48 MONTHS*

Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Monthly 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Monthly 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$85	\$170	\$255	\$340	\$425	\$510	\$595	\$680
2022	Newborn (before 12/1/04)	\$85	\$170	\$255	\$340	\$425	\$510	\$595	\$680
2021	1	\$86	\$172	\$258	\$344	\$430	\$516	\$602	\$688
2020	2	\$87	\$174	\$261	\$348	\$435	\$522	\$609	\$696
2019	3	\$87	\$174	\$261	\$348	\$435	\$522	\$609	\$696
2018	4 (or older & not in school)	\$88	\$176	\$264	\$352	\$440	\$528	\$616	\$704
2017	Kindergarten	\$89	\$178	\$267	\$356	\$445	\$534	\$623	\$712
2016	First Grade	\$89	\$178	\$267	\$356	\$445	\$534	\$623	\$712
2015	Second Grade	\$90	\$180	\$270	\$360	\$450	\$540	\$630	\$720
2014	Third Grade	\$91	\$182	\$273	\$364	\$455	\$546	\$637	\$728
2013	Fourth Grade	\$91	\$182	\$273	\$364	\$455	\$546	\$637	\$728
2012	Fifth Grade	\$92	\$184	\$276	\$368	\$460	\$552	\$644	\$736
2011	Sixth Grade	\$93	\$186	\$279	\$372	\$465	\$558	\$651	\$744
2010	Seventh Grade	\$93	\$186	\$279	\$372	\$465	\$558	\$651	\$744
2009	Eighth Grade	\$94	\$188	\$282	\$376	\$470	\$564	\$658	\$752

FULL BENEFITS - MONTHLY PURCHASE PLAN: 7 YEAR - 84 MONTHS*

Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Monthly 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Monthly 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$55	\$110	\$165	\$220	\$275	\$330	\$385	\$440
2022	Newborn (before 12/1/04)	\$55	\$110	\$165	\$220	\$275	\$330	\$385	\$440
2021	1	\$55	\$110	\$165	\$220	\$275	\$330	\$385	\$440
2020	2	\$55	\$110	\$165	\$220	\$275	\$330	\$385	\$440
2019	3	\$56	\$112	\$168	\$224	\$280	\$336	\$392	\$448
2018	4 (or older & not in school)	\$56	\$112	\$168	\$224	\$280	\$336	\$392	\$448
2017	Kindergarten	\$57	\$114	\$171	\$228	\$285	\$342	\$399	\$456
2016	First Grade	\$57	\$114	\$171	\$228	\$285	\$342	\$399	\$456
2015	Second Grade	\$57	\$114	\$171	\$228	\$285	\$342	\$399	\$456
2014	Third Grade	\$58	\$116	\$174	\$232	\$290	\$348	\$406	\$464
2013	Fourth Grade	\$58	\$116	\$174	\$232	\$290	\$348	\$406	\$464
2012	Fifth Grade	\$59	\$118	\$177	\$236	\$295	\$354	\$413	\$472

FULL BENEFITS - MONTHLY PURCHASE PLAN: 10 YEAR - 120 MONTHS*

Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1 1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Monthly 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Monthly 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$43	\$86	\$129	\$172	\$215	\$258	\$301	\$344
2022	Newborn (before 12/1/04)	\$43	\$86	\$129	\$172	\$215	\$258	\$301	\$344
2021	1	\$43	\$86	\$129	\$172	\$215	\$258	\$301	\$344
2020	2	\$43	\$86	\$129	\$172	\$215	\$258	\$301	\$344
2019	3	\$43	\$86	\$129	\$172	\$215	\$258	\$301	\$344
2018	4 (or older & not in school)	\$44	\$88	\$132	\$176	\$220	\$264	\$308	\$352
2017	Kindergarten	\$44	\$88	\$132	\$176	\$220	\$264	\$308	\$352
2016	First Grade	\$44	\$88	\$132	\$176	\$220	\$264	\$308	\$352
2015	Second Grade	\$45	\$90	\$135	\$180	\$225	\$270	\$315	\$360

FULL BENEFITS - MONTHLY PURCHASE PLAN: 15 YEAR - 180 MONTHS*

Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1 1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Monthly 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Monthly 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$34	\$68	\$102	\$136	\$170	\$204	\$238	\$272
2022	Newborn (before 12/1/04)	\$34	\$68	\$102	\$136	\$170	\$204	\$238	\$272
2021	1	\$34	\$68	\$102	\$136	\$170	\$204	\$238	\$272
2020	2	\$34	\$68	\$102	\$136	\$170	\$204	\$238	\$272
2019	3	\$34	\$68	\$102	\$136	\$170	\$204	\$238	\$272

*Monthly purchase contracts must be completely paid before the beneficiary is expected to enter college. Four-year monthly purchase plans can be purchased for beneficiaries in grades 8 and below. Seven-year monthly purchase plans can be purchased for beneficiaries in grades 5 and below. Ten-year monthly purchase plans can be purchased for beneficiaries in grades 2 and below. Fifteen-year monthly purchase plans can be purchased for beneficiaries age 3 and below.

LIMITED BENEFITS - LUMP SUM PURCHASE PLAN *

Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Lump Sum 1 Sem (1/2 Year)	Cost/Lump Sum 2 Sem (1 Year)	Cost/Lump Sum 3 Sem (1 1/2 Years)	Cost/Lump Sum 4 Sem (2 Years)	Cost/Lump Sum 5 Sem (2 1/2 Years)	Cost/Lump Sum 6 Sem (3 Years)	Cost/Lump Sum 7 Sem (3 1/2 Years)	Cost/Lump Sum 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$2,835	\$5,670	\$8,505	\$11,340	\$14,175	\$17,010	\$19,845	\$22,680
2022	Newborn (before 12/1/04)	\$2,835	\$5,670	\$8,505	\$11,340	\$14,175	\$17,010	\$19,845	\$22,680
2021	1	\$2,856	\$5,712	\$8,568	\$11,424	\$14,280	\$17,136	\$19,992	\$22,848
2020	2	\$2,877	\$5,754	\$8,631	\$11,508	\$14,385	\$17,262	\$20,139	\$23,016
2019	3	\$2,899	\$5,798	\$8,697	\$11,596	\$14,495	\$17,394	\$20,293	\$23,192
2018	4 (or older & not in school)	\$2,920	\$5,840	\$8,760	\$11,680	\$14,600	\$17,520	\$20,440	\$23,360
2017	Kindergarten	\$2,942	\$5,884	\$8,826	\$11,768	\$14,710	\$17,652	\$20,594	\$23,536
2016	First Grade	\$2,964	\$5,928	\$8,892	\$11,856	\$14,820	\$17,784	\$20,748	\$23,712
2015	Second Grade	\$2,986	\$5,972	\$8,958	\$11,944	\$14,930	\$17,916	\$20,902	\$23,888
2014	Third Grade	\$3,008	\$6,016	\$9,024	\$12,032	\$15,040	\$18,048	\$21,056	\$24,064
2013	Fourth Grade	\$3,031	\$6,062	\$9,093	\$12,124	\$15,155	\$18,186	\$21,217	\$24,248
2012	Fifth Grade	\$3,054	\$6,108	\$9,162	\$12,216	\$15,270	\$18,324	\$21,378	\$24,432
2011	Sixth Grade	\$3,076	\$6,152	\$9,228	\$12,304	\$15,380	\$18,456	\$21,532	\$24,608
2010	Seventh Grade	\$3,099	\$6,198	\$9,297	\$12,396	\$15,495	\$18,594	\$21,693	\$24,792
2009	Eighth Grade	\$3,122	\$6,244	\$9,366	\$12,488	\$15,610	\$18,732	\$21,854	\$24,976
2008	Ninth Grade	\$3,154	\$6,308	\$9,462	\$12,616	\$15,770	\$18,924	\$22,078	\$25,232
2007	Tenth Grade	\$3,187	\$6,374	\$9,561	\$12,748	\$15,935	\$19,122	\$22,309	\$25,496
2006	Eleventh Grade	\$3,220	\$6,440	\$9,660	\$12,880	\$16,100	\$19,320	\$22,540	\$25,760
2005	Twelfth Grade	\$3,253	\$6,506	\$9,759	\$13,012	\$16,265	\$19,518	\$22,771	\$26,024

*1 semester equals 1/2 year (15 credit hours) at an in-formula University; i.e.: a University whose tuition does not exceed 105% of the weighted average tuition at the time the student activates the contract.

LIMITED BENEFITS - MONTHLY PURCHASE PLAN: 4 YEAR - 48 MONTHS*									
Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Monthly 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Monthly 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$69	\$138	\$207	\$276	\$345	\$414	\$483	\$552
2022	Newborn (before 12/1/04)	\$69	\$138	\$207	\$276	\$345	\$414	\$483	\$552
2021	1	\$69	\$138	\$207	\$276	\$345	\$414	\$483	\$552
2020	2	\$70	\$140	\$210	\$280	\$350	\$420	\$490	\$560
2019	3	\$70	\$140	\$210	\$280	\$350	\$420	\$490	\$560
2018	4 (or older & not in school)	\$71	\$142	\$213	\$284	\$355	\$426	\$497	\$568
2017	Kindergarten	\$71	\$142	\$213	\$284	\$355	\$426	\$497	\$568
2016	First Grade	\$72	\$144	\$216	\$288	\$360	\$432	\$504	\$576
2015	Second Grade	\$73	\$146	\$219	\$292	\$365	\$438	\$511	\$584
2014	Third Grade	\$73	\$146	\$219	\$292	\$365	\$438	\$511	\$584
2013	Fourth Grade	\$74	\$148	\$222	\$296	\$370	\$444	\$518	\$592
2012	Fifth Grade	\$74	\$148	\$222	\$296	\$370	\$444	\$518	\$592
2011	Sixth Grade	\$75	\$150	\$225	\$300	\$375	\$450	\$525	\$600
2010	Seventh Grade	\$75	\$150	\$225	\$300	\$375	\$450	\$525	\$600
2009	Eighth Grade	\$76	\$152	\$228	\$304	\$380	\$456	\$532	\$608

LIMITED BENEFITS - MONTHLY PURCHASE PLAN: 7 YEAR - 84 MONTHS*									
Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Monthly 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Monthly 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$44	\$88	\$132	\$176	\$220	\$264	\$308	\$352
2022	Newborn (before 12/1/04)	\$44	\$88	\$132	\$176	\$220	\$264	\$308	\$352
2021	1	\$44	\$88	\$132	\$176	\$220	\$264	\$308	\$352
2020	2	\$45	\$90	\$135	\$180	\$225	\$270	\$315	\$360
2019	3	\$45	\$90	\$135	\$180	\$225	\$270	\$315	\$360
2018	4 (or older & not in school)	\$45	\$90	\$135	\$180	\$225	\$270	\$315	\$360
2017	Kindergarten	\$46	\$92	\$138	\$184	\$230	\$276	\$322	\$368
2016	First Grade	\$46	\$92	\$138	\$184	\$230	\$276	\$322	\$368
2015	Second Grade	\$46	\$92	\$138	\$184	\$230	\$276	\$322	\$368
2014	Third Grade	\$47	\$94	\$141	\$188	\$235	\$282	\$329	\$376
2013	Fourth Grade	\$47	\$94	\$141	\$188	\$235	\$282	\$329	\$376
2012	Fifth Grade	\$47	\$94	\$141	\$188	\$235	\$282	\$329	\$376

LIMITED BENEFITS - MONTHLY PURCHASE PLAN: 10 YEAR - 120 MONTHS*									
Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Monthly 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Monthly 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$34	\$68	\$102	\$136	\$170	\$204	\$238	\$272
2022	Newborn (before 12/1/04)	\$34	\$68	\$102	\$136	\$170	\$204	\$238	\$272
2021	1	\$35	\$70	\$105	\$140	\$175	\$210	\$245	\$280
2020	2	\$35	\$70	\$105	\$140	\$175	\$210	\$245	\$280
2019	3	\$35	\$70	\$105	\$140	\$175	\$210	\$245	\$280
2018	4 (or older & not in school)	\$35	\$70	\$105	\$140	\$175	\$210	\$245	\$280
2017	Kindergarten	\$36	\$72	\$108	\$144	\$180	\$216	\$252	\$288
2016	First Grade	\$36	\$72	\$108	\$144	\$180	\$216	\$252	\$288
2015	Second Grade	\$36	\$72	\$108	\$144	\$180	\$216	\$252	\$288

LIMITED BENEFITS - MONTHLY PURCHASE PLAN: 15 YEAR - 180 MONTHS*									
Academic Year	Age as of Dec. 1, 2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)	Cost/Monthly 5 Sem (2 1/2 Years)	Cost/Monthly 6 Sem (3 Years)	Cost/Monthly 7 Sem (3 1/2 Years)	Cost/Monthly 8 Sem (4 Years)
2023	Newborn (12/1/04 or after)	\$27	\$54	\$81	\$108	\$135	\$162	\$189	\$216
2022	Newborn (before 12/1/04)	\$27	\$54	\$81	\$108	\$135	\$162	\$189	\$216
2021	1	\$27	\$54	\$81	\$108	\$135	\$162	\$189	\$216
2020	2	\$27	\$54	\$81	\$108	\$135	\$162	\$189	\$216
2019	3	\$28	\$56	\$84	\$112	\$140	\$168	\$196	\$224

*Monthly purchase contracts must be completely paid before the beneficiary is expected to enter college. Four-year monthly purchase plans can be purchased for beneficiaries in grades 8 and below. Seven-year monthly purchase plans can be purchased for beneficiaries in grades 5 and below. Ten-year monthly purchase plans can be purchased for beneficiaries in grades 2 and below. Fifteen-year monthly purchase plans can be purchased for beneficiaries age 3 and below. *1 semester equals 1/2 year (15 credit hours) at an in-formula University; i.e.: a University whose tuition does not exceed 105% of the weighted average tuition at the time the student activates the contract.

COMMUNITY COLLEGE - LUMP SUM PURCHASE PLAN

Academic Year	Age as of Dec. 1,2004 Grade as of Fall 2004	Cost/Lump Sum 1 Sem (1/2 Year)	Cost/Lump Sum 2 Sem (1 Year)	Cost/Lump Sum 3 Sem (1 1/2 Years)	Cost/Lump Sum 4 Sem (2 Years)
2023	Newborn (12/1/04 or after)	\$921	\$1,842	\$2,763	\$3,684
2022	Newborn (before 12/1/04)	\$921	\$1,842	\$2,763	\$3,684
2021	1	\$928	\$1,856	\$2,784	\$3,712
2020	2	\$935	\$1,870	\$2,805	\$3,740
2019	3	\$942	\$1,884	\$2,826	\$3,768
2018	4 (or older & not in school)	\$949	\$1,898	\$2,847	\$3,796
2017	Kindergarten	\$956	\$1,912	\$2,868	\$3,824
2016	First Grade	\$963	\$1,926	\$2,889	\$3,852
2015	Second Grade	\$971	\$1,942	\$2,913	\$3,884
2014	Third Grade	\$978	\$1,956	\$2,934	\$3,912
2013	Fourth Grade	\$985	\$1,970	\$2,955	\$3,940
2012	Fifth Grade	\$993	\$1,986	\$2,979	\$3,972
2011	Sixth Grade	\$1,000	\$2,000	\$3,000	\$4,000
2010	Seventh Grade	\$1,007	\$2,014	\$3,021	\$4,028
2009	Eighth Grade	\$1,015	\$2,030	\$3,045	\$4,060
2008	Ninth Grade	\$1,025	\$2,050	\$3,075	\$4,100
2007	Tenth Grade	\$1,036	\$2,072	\$3,108	\$4,144
2006	Eleventh Grade	\$1,047	\$2,094	\$3,141	\$4,188
2005	Twelfth Grade	\$1,057	\$2,114	\$3,171	\$4,228

COMMUNITY COLLEGE - MONTHLY PURCHASE PLAN: 7 YEAR - 84 MONTHS *

Academic Year	Age as of Dec. 1,2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)
2023	Newborn (12/1/04 or after)	\$14	\$28	\$42	\$56
2022	Newborn (before 12/1/04)	\$14	\$28	\$42	\$56
2021	1	\$14	\$28	\$42	\$56
2020	2	\$15	\$30	\$45	\$60
2019	3	\$15	\$30	\$45	\$60
2018	4 (or older & not in school)	\$15	\$30	\$45	\$60
2017	Kindergarten	\$15	\$30	\$45	\$60
2016	First Grade	\$15	\$30	\$45	\$60
2015	Second Grade	\$15	\$30	\$45	\$60
2014	Third Grade	\$15	\$30	\$45	\$60
2013	Fourth Grade	\$15	\$30	\$45	\$60
2012	Fifth Grade	\$15	\$30	\$45	\$60

COMMUNITY COLLEGE - MONTHLY PURCHASE PLAN: 15 YEAR - 180 MONTHS *

Academic Year	Age as of Dec. 1,2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)
2023	Newborn (12/1/04 or after)	\$9	\$18	\$27	\$36
2022	Newborn (before 12/1/04)	\$9	\$18	\$27	\$36
2021	1	\$9	\$18	\$27	\$36
2020	2	\$9	\$18	\$27	\$36
2019	3	\$9	\$18	\$27	\$36

COMMUNITY COLLEGE - MONTHLY PURCHASE PLAN: 4 YEAR - 48 MONTHS *

Academic Year	Age as of Dec. 1,2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)
2023	Newborn (12/1/04 or after)	\$22	\$44	\$66	\$88
2022	Newborn (before 12/1/04)	\$22	\$44	\$66	\$88
2021	1	\$23	\$46	\$69	\$92
2020	2	\$23	\$46	\$69	\$92
2019	3	\$23	\$46	\$69	\$92
2018	4 (or older & not in school)	\$23	\$46	\$69	\$92
2017	Kindergarten	\$23	\$46	\$69	\$92
2016	First Grade	\$23	\$46	\$69	\$92
2015	Second Grade	\$24	\$48	\$72	\$96
2014	Third Grade	\$24	\$48	\$72	\$96
2013	Fourth Grade	\$24	\$48	\$72	\$96
2012	Fifth Grade	\$24	\$48	\$72	\$96
2011	Sixth Grade	\$24	\$48	\$72	\$96
2010	Seventh Grade	\$24	\$48	\$72	\$96
2009	Eighth Grade	\$25	\$50	\$75	\$100

COMMUNITY COLLEGE - MONTHLY PURCHASE PLAN: 10 YEAR - 120 MONTHS *

Academic Year	Age as of Dec. 1,2004 Grade as of Fall 2004	Cost/Monthly 1 Sem (1/2 Year)	Cost/Monthly 2 Sem (1 Year)	Cost/Monthly 3 Sem (1 1/2 Years)	Cost/Monthly 4 Sem (2 Years)
2023	Newborn (12/1/04 or after)	\$11	\$22	\$33	\$44
2022	Newborn (before 12/1/04)	\$11	\$22	\$33	\$44
2021	1	\$11	\$22	\$33	\$44
2020	2	\$11	\$22	\$33	\$44
2019	3	\$11	\$22	\$33	\$44
2018	4 (or older & not in school)	\$11	\$22	\$33	\$44
2017	Kindergarten	\$12	\$24	\$36	\$48
2016	First Grade	\$12	\$24	\$36	\$48
2015	Second Grade	\$12	\$24	\$36	\$48

*Monthly purchase contracts must be completely paid before the beneficiary is expected to enter college. Four-year monthly purchase plans can be purchased for beneficiaries in grades 8 and below. Seven-year monthly purchase plans can be purchased for beneficiaries in grades 5 and below. Ten-year monthly purchase plans can be purchased for beneficiaries in grades 2 and below. Fifteen-year monthly purchase plans can be purchased for beneficiaries age 3 and below.

***Contract processing fee \$85.00 for each contract submitted, see the Contract Signature Page for processing fee discounts for early enrollment**

CONTRACT DEFINITIONS

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University Contract

Full & Limited Benefits

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Community College Contract

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These definitions apply to the University and Community College Contracts. The University and Community College Contracts are the same except for Sections 2, 6, 7 and 14.

SECTION 1. DEFINITIONS OF CONTRACT TERMS

(a) "Academic Year" means the undergraduate school year beginning the first semester, term, or quarter after July 15 of any year.

(b) "Act" means Act No. 316 of Public Acts of 1986, which is Michigan Compiled Law 390.1421 and following provisions.

(c) "Advance Tuition Payment Fund" means the Plan D advance tuition payment fund.

(d) "Annual Tuition Cost" means a figure determined by dividing the total in-district Tuition collected by a particular Community College for a year for credit hour courses by the total number of in-district Fiscal Year Equated Students at that particular school for that year.

(e) "Annual Undergraduate Tuition Cost" means a figure determined by dividing the total in-state undergraduate Tuition collected by a particular State Institution of Higher Education for a year by the total number of in-state Undergraduate Fiscal Year Equated Students at that school for that year.

(f) "Appointee" means the Person set forth in Item 11 who may be named by the Purchaser to receive correspondence and/or a refund for this Contract.

(g) "Average Tuition Cost" means an amount determined by adding the Annual Undergraduate Tuition Cost at each State Institution of Higher Education and dividing that result by the total number of State Institutions of Higher Education for University Contracts and an amount determined by adding the Annual Tuition Cost at each Community College and dividing that result by the total number of Community Colleges for Community College Contracts.

(h) “Beneficiary” or “Qualified Beneficiary” means the individual named in Item 1. The Beneficiary must be a Resident when the Contract Signature Page is submitted to MET.

(i) “Board” means the MET Board of Directors.

(j) “Community College” means an educational institution described in Michigan Constitution 1963, Article 8, Section 7.

(k) “Complete Credit Public Educational Institution” means a Public Educational Institution whose In-State Tuition Rate or In-District Tuition Rate does not exceed 105 percent of the Weighted Average Tuition Cost of all State Institutions of Higher Education in the Academic Year in which the Beneficiary initially enrolls at the Public Education Institution determined by MET annually.

(l) “Complete Credit State Institution of Higher Education” means a State Institution of Higher Education whose In-State Tuition Rate does not exceed 105 percent of the Weighted Average Tuition Cost of all State Institutions of Higher Education in the Academic Year in which the Beneficiary initially enrolls at a Higher Education Institution determined by MET annually.

(m) “Contract” means this MET Contract.

(n) “Disabled” or “Disability” means a limitation of an individual’s learning ability resulting from an injury or disease which renders the individual incapable of participating in higher education.



(o) “Fiscal Year Equated Students” means a figure determined for each Community College by dividing one-half of the number of credit hours necessary to receive a two-year associate degree at that Community College into the number of credit hours for which in-district students were enrolled.

(p) “Higher Education Institution” means a Public Educational Institution, an Independent, Degree-granting College or University or an Out-of-State Institution of Higher Education.

(q) “Immediate Family” means the spouse, mother, father, brother, sister, legally adopted brother or sister, child, legally adopted child, niece, nephew or cousin of the first degree of the Beneficiary.



(r) “Independent, Degree-granting College or University” means a non-profit, non-public, associate or baccalaureate degree-granting higher education institution approved by the State Board of Education and located in the State.

(s) “In-District Tuition Rate” means the Tuition rate charged a student who meets the in-district residency requirements established by a particular Community College.

(t) “In-State Tuition Rate” means the Tuition rate charged a student who meets the in-state residency requirements of a particular State Institution of Higher Education.

(u) “Item” means any of those categories listed as numbers 1–27 on the Contract Signature Page.

(v) “Lowest Tuition Cost” means the lowest annual Tuition rate charged freshmen, sophomores, juniors or seniors among all annual Tuition rates at any State Institution of Higher Education for University contracts; and the lowest annual Tuition rate charged freshmen and sophomores among all annual Tuition rates at any Community College for Community College Contracts.

(w) “Mandatory Fee” means any fee, other than charges for credit hours, room and board, which a Public Educational Institution requires all students to pay as a condition of enrollment, such as registration fees. Fees which are course specific such as laboratory fees, contact hour charges, and fees based on the number of credit hours enrolled are not covered under this Contract. These examples are not all inclusive of non-mandatory fees.

(x) “MET” means the Michigan Education Trust.

(y) “Monthly Purchase” means the acquisition of educational benefits by the Purchaser of the applicable percent, as specified in Section 3(g) of the Contract.

(z) “Monthly Purchase Amount” means the monthly dollar amount specified by MET for a monthly purchase contract.

(aa) “New Beneficiary” means an individual who is an Immediate Family member to whom Contract rights have been transferred.

(bb) “Out-of-District Tuition Rate” means the Tuition rate charged a student attending a Community College who does not meet the in-district residency requirements established by a particular Community College.

(cc) “Out-of-State Institution of Higher Education” means one of the following: (i) A non-profit, baccalaureate degree-granting college or university located outside this state. (ii) A proprietary baccalaureate degree-granting college or university located outside this state that is eligible to participate in United States Department of Education student aid programs (iii) A community or junior college



located outside this state that is eligible to participate in United States Department of Education student aid programs.

(dd) “Person” means an individual who is a resident of the United States, or a partnership, trust, association, corporation, or governmental subdivision existing under the laws of the United States or any state of the United States.

(ee) “Plan” or “Plan D” means this Contract and other Contracts designated as Plan D Contracts.

(ff) “Prepaid Tuition Amount” means, when referring to this Contract the lump sum paid less the processing fee or the accumulated amount of all Monthly Purchase Amounts received by MET under the Contract less the processing fee.

(gg) “Public Educational Institution” means a State Institution of Higher Education or a Community College.

(hh) “Purchaser” means the Person named in Item 6. If the purchaser is a natural Person, he/she must be 18 years of age or older, or a trustee, or a designated custodian or minor under the Michigan Uniform Transfers to Minors Act, or be represented by a court appointed or approved conservator or guardian.

(ii) “Refund Designee” means the person named in Item 16 of the Contract Signature Page.

(jj) “Resident” means an individual who is domiciled in the State.

(kk) “State” means the State of Michigan.

(ll) “State Institution of Higher Education” means a college or university described in Michigan Constitution 1963, Article 8, Section 4, 5 or 6, or any four-year degree-granting institution established by the State in the future as a State Institution of Higher Education.

(mm) “Termination” means a discontinuation of the right to receive educational benefits at a Public Educational Institution.

(nn) “Total Contract Price” means, when referring to this Contract the accumulated amount of all Monthly Purchase Amounts including the processing fee specified in Item 26 of the Contract or, when referring to lump sum contracts which have the Total Contract Price set forth in Item 27 of the contract, the amount in Item 27 of the contract or, if incorrect, the amount that should have been in Item 27.

(oo) “Transfer” means moving Contract rights from the Beneficiary to a New Beneficiary.

(pp) “Tuition” means the undergraduate quarter, term, semester or trimester charges imposed to attend a Public Educational Institution including Mandatory Fees.

(qq) “Undergraduate Fiscal Year Equated Students” means a figure determined for each State Institution of Higher Education by dividing 1/4 of the number of credit hours necessary to receive a four-year baccalaureate degree at that State Institution of Higher Education into the number of credit hours for which in-state undergraduate students were enrolled.

(rr) “Weighted Average Tuition Cost” or the “Weighted Average Tuition Cost of all State Institutions of Higher Education” for University Contracts means the figure arrived by:

(1) first, multiplying the Annual Undergraduate Tuition Cost at each State Institution of Higher Education by its total number of Undergraduate Fiscal Year Equated Students;

(2) second, adding the results of subsection (1) for all State Institutions of Higher Education;

(3) third, dividing the result of subsection (2) by the total number of Undergraduate Fiscal Year Equated Students for all State Institutions of Higher Education.

“Weighted Average Tuition Cost” for Community College Contracts means the figure arrived by:

- (1) first, multiplying the Annual Tuition Cost at each Community College by its total number of Fiscal Year Equated Students;
- (2) second, adding the results of subsection (1) for all Community Colleges;
- (3) third, dividing the result of subsection (2) by the total number of Fiscal Year Equated Students for all Community Colleges.

(ss) “Weighted Average Tuition Cost of Complete Credit State Institutions of Higher Education” means a figure arrived at by:

- (1) first, multiplying the Annual Undergraduate Tuition Cost at each Complete Credit State Institution of Higher Education by its total number of Undergraduate Fiscal Year Equated Students;
- (2) second, adding the results of subsection (1) for all Complete Credit State Institutions of Higher Education;
- (3) third, dividing the result of subsection (2) by the total number of Undergraduate Fiscal Year Equated Students for all Complete Credit State Institutions of Higher Education.

UNIVERSITY CONTRACT (FULL AND LIMITED BENEFITS)

SECTION 2. MET’s OBLIGATIONS

(a) Upon MET’s acceptance of the Contract and the Beneficiary’s enrollment at a Public Educational Institution, MET will pay for one-eighth (1/8) of the credit hours required for a four-year baccalaureate degree at the Beneficiary’s Public Educational Institution (for Full Benefits Contracts) or Complete Credit Public Educational Institution (for Limited Benefits Contracts) at the In-State

Tuition Rate multiplied by the semesters of educational benefits acquired by the Purchaser. MET guarantees to pay these educational benefits from the assets of the Plan.



(1) MET will stop providing benefits under this Contract when MET has paid the credit hours purchased, regardless of the number of credit hours the Beneficiary has accumulated toward graduation at his or her Public Educational Institution. The Beneficiary can accumulate fewer credit hours than MET has paid if the Beneficiary drops classes, fails classes, repeats classes, takes classes at another Public Educational Institution which do not transfer to the Beneficiary’s Public Educational Institution or for other reasons. A standard baccalaureate degree usually consists of 120 semester credit hours (or, on average, 30 credit hours each year).

(2) MET will only pay educational benefits and provide refunds under the Contract from the assets of the Plan. The ability of MET to pay benefits and provide refunds under the Contract is not guaranteed by the State of Michigan.

FOR LIMITED BENEFITS CONTRACTS:

(b) If a Beneficiary enrolls at a Public Educational Institution which is not a Complete Credit Public Educational Institution, MET will provide the number of credit hours MET can purchase with 105 percent of the Weighted Average Tuition Cost of all State Institutions of Higher Education based upon the Academic Year at the time of enrollment, multiplied by the semesters of educational benefits acquired by the Purchaser.

(c) If a Beneficiary transfers to another Public Educational Institution, the number of credit hours the Beneficiary will have at the new Public Educational Institution will be determined at the time of transfer by:

- (1) calculating the number of credit hours the Beneficiary is entitled to at the new Public Educational Institution pursuant to subsections (a) or (b), as applicable, as if he or she were just commencing receiving MET benefits using the

Weighted Average Tuition Cost of all State Institutions of Higher Education and the Annual Undergraduate Tuition Cost of the new Public Educational Institution as of the Academic Year the Beneficiary first used MET benefits,

- (2) calculating a percent equal to the credit hours already provided by MET for the Beneficiary divided by the total credit hours MET would have provided at that Public Educational Institution,
- (3) adding the percent computed under subparagraph (2) for all Public Educational Institutions which the Beneficiary has attended,
- (4) multiplying the figure calculated under subparagraph (1) by the percent calculated under subparagraph (3), and
- (5) subtracting the amount arrived at in subparagraph (4) from the amount calculated in subparagraph (1).

(d) The Beneficiary must meet the Public Educational Institution's residency requirements to be eligible for that institution's In-State Tuition Rate. The Beneficiary is responsible for the difference between the In-State Tuition Rate and out-of-state Tuition rate. If the Beneficiary attends a Community College, MET will pay, as appropriate, the In-District Tuition Rate or the Out-of-District Tuition Rate, and contact or billing hour charges (to the extent the Out-of-District Tuition Rate and contact/billing hour charges do not exceed the Average Tuition Cost).

(e) If a Beneficiary of a four-year Contract attends a Community College for not more than two Academic Years at the In-District Tuition Rate, he or she may then attend any State Institution of Higher Education and MET will pay for the



credit hours necessary for a four-year baccalaureate degree. The additional number of credit hours allowed will be calculated when the Beneficiary transfers to a State Institution of Higher Education. This subsection does not apply if

the Contract has been terminated.

(f) A Beneficiary of (i) other than a four-year Contract who attends a Community College, or (ii) a four-year Contract who attends a Community College for more than two Academic years may

then attend a State Institution of Higher Education, but will only receive the remaining educational benefits under the Contract. This subsection does not apply if the Contract has been terminated.

SECTION 3. PAYMENT AND CONTRACT ACCEPTANCE

(a) Contract Acceptance: MET has no obligation to the Beneficiary until it accepts this Contract. MET will accept this Contract only after it receives:

- (1) a properly completed Contract Signature Page signed by the Purchaser, who must be 18 years of age or older, a designated custodian under the Michigan Uniform Transfers to Minors Act (UTMA) (who may name the minor as the purchaser) or a court appointed conservator or guardian, and
- (2) payment of a properly calculated Total from Item 27 of the Contract Signature Page. Payment must be in the form of a cashier's check, certified check, or money order payable to Michigan Education Trust or if enrolling online through electronic funds transfer.

(b) Confirmation of Acceptance: MET will send a confirmation of Contract acceptance to the Purchaser within 90 days from MET's receipt of the Contract Signature Page. If the Purchaser does not receive confirmation, the Purchaser should notify MET in writing.

FOR LUMP SUM CONTRACTS:

(c) Insufficient Payment: If the Purchaser pays less than the total Prepaid Tuition Amount and one-time processing fee due for this Contract, MET will notify the Purchaser. If MET sends a notice, the Purchaser shall advise MET by mail, return receipt requested, that he or she will do one of the following and, if (1) is selected, enclose payment:

- (1) pay the additional amount necessary to purchase the number of semesters specified in Item 15 of the Contract Signature Page,
- (2) accept an adjusted amount of educational benefits to reflect what the actual payment submitted could purchase when MET received the payment, or

(3) withdraw the Contract offer. MET will then return to the Purchaser the amount paid by the Purchaser (without interest).

If MET does not receive instructions and payment (if appropriate) from the Purchaser within 20 business days of the date notice is sent, MET shall reduce the amount of educational benefits consistent with subsection (c)(2).

(d) Payment Credit: Upon acceptance of this Contract, MET shall credit the Advance Tuition Payment Fund with the amount paid less the one-time processing fee.

FOR MONTHLY PURCHASE CONTRACTS:

(e) Monthly Purchase Amounts: If the Monthly Purchase option is selected, the Purchaser will acquire educational benefits by submitting Monthly Purchase Amounts to MET. If MET accepts the Contract, MET will advise the Purchaser of the term of the Contract, the Monthly Purchase Amount, and the dates the Monthly Purchase Amounts are due. Monthly Purchase Amounts include 8.1% rate of return, therefore the total amount paid will be more than if paid by lump sum. Payments must be made in full Monthly Purchase Amounts. Partial payments will not be accepted. The Purchaser may submit Monthly Purchase Amounts early.

(f) No Obligation To Purchase: Payment of the Monthly Purchase Amounts by the Purchaser is voluntary. MET cannot compel the Purchaser to acquire educational benefits under this Contract.

(g) Benefits Earned: The Purchaser will acquire educational benefits only for Monthly Purchase Amounts accepted by MET. Each Monthly Purchase Amount accepted by MET will earn the following percentage of the years of Tuition to be purchased by this Contract:

<u>Contract Term</u>	<u>Percent Purchased (Rounded)</u>
4 years	2.08%
7 years	1.19%
10 years	0.83%
15 years	0.56%

(h) Acceptance Of Payment: Upon acceptance of a Monthly Purchase Amount, MET will deposit the

Monthly Purchase Amount in the Beneficiary's account.

(i) Late Payments: If a Monthly Purchase Amount is not paid by its due date, MET will accept the payment only if it is made within 60 days of the due date and is accompanied by a \$10.00 late fee.

(j) Failure To Make Payments: If any Monthly Purchase Amount (and any late fee due) is not paid within 60 days of its due date, the Purchaser will lose the opportunity to submit any further Monthly Purchase Amounts under this Contract. Should that occur the Purchaser has 60 days to pay the Contract in full. Thereafter, MET will not accept any payments under the Contract.

(k) Full Payment Option: As long as the Purchaser has not lost the opportunity to make monthly purchases under Section 3(j), the Purchaser may pay the Contract in full by submitting all unpaid Monthly Purchase Amounts to MET. If the Purchaser pays the entire balance due more than one year before the final payment is due, MET will provide the Purchaser an early payment discount.

(l) Contract Term: The term of monthly purchases must end before the Academic Year the Beneficiary is projected to attend a Higher Education Institution.



SECTION 4. MAXIMUM AMOUNT OF BENEFITS

A Beneficiary may not accumulate more than four years of MET educational benefits.

SECTION 5. NOTIFICATION OF INTENT TO RECEIVE EDUCATIONAL BENEFITS

(a) A Beneficiary who intends to begin using educational benefits at the start of an Academic Year must notify MET in writing by June 1 prior to that Academic Year.

(b) A Beneficiary who intends to begin using educational benefits other than at the start of an Academic Year must submit a written request to receive benefits at least three months before the requested commencement date.

SECTION 6. TRANSFER TO AN IMMEDIATE FAMILY MEMBER

(a) Any unused educational benefits may be transferred, with MET's written approval, to an Immediate Family member, if:

- (1) the Beneficiary dies or becomes Disabled, or
- (2) after reaching 18 years of age or receiving a high school diploma, the Beneficiary requests a transfer.

(b) The Beneficiary must request a Transfer. A mentally disabled Beneficiary or a Beneficiary under 18 years of age must be represented by a legal guardian. If the Beneficiary has died, the Refund Designee (or, if the Refund Designee is deceased, the personal representative of the Refund Designee) may request a Transfer. The Transfer shall be subject to:

- (1) payment of a Transfer fee, if any, and
- (2) payment to MET of the amount necessary to reimburse MET for any additional expense or loss of income associated with the Transfer to an older Beneficiary.

If a Contract is transferred to an older Beneficiary who was ineligible for a Contract when the Contract was purchased, the additional amount charged will be:

- (i) the highest Tuition charged at a State Institution of Higher Education among all State Institutions of Higher Education (for Full Benefits Contract) or a Complete Credit Public Educational Institution (for Limited Benefits Contract) in the 2004-05 Academic Year minus the amount the Purchaser paid for one year of educational benefits;
- (ii) add the amount determined in subparagraph (i) to the loss of investment income for the period from the date the Contract was accepted until the date of Transfer. The rate of return assumed will be 8.1 percent per year;
- (iii) multiply the amount determined in subparagraph (ii) by the number of years and/or fraction of year being transferred.

(3) the Person requesting the Transfer and the

proposed New Beneficiary (or the parent or guardian of the New Beneficiary if the New Beneficiary is a minor) must certify in writing that no payment has been or will be made to anyone (except MET) for the Transfer.

(c) Unless authorized by the MET statute and approved by the MET Board, no transfer will be allowed if the Beneficiary has earned more than one-half (1/2) of the credit hours required for the awarding of a baccalaureate degree by the Beneficiary's State Institution of Higher Education.

SECTION 7. TERMINATION AND REFUNDS

(a) Reasons For Termination: This Contract may be terminated upon written request to MET by the Beneficiary (or a Person with legal authority to act regarding subsection (a) (4)) if:

- (1) the Beneficiary has reached 18 years of age or has received a high school diploma and certifies that he or she will attend an Independent Degree-granting College or University and directs payment of any refund to that institution,
- (2) the Beneficiary has reached 18 years of age or has received a high school diploma and certifies that he or she will attend an Out-of-State Institution of Higher Education,
- (3) the Beneficiary has reached 18 years of age or has received a high school diploma and certifies that he or she will attend a Higher Education Institution with a full tuition scholarship,
- (4) the Beneficiary has died or is Disabled,
- (5) the Beneficiary has reached 18 years of age or has received a high school diploma and certifies one of the following:

- (i) he or she does not plan to attend a Higher Education Institution,
- (ii) he or she will attend an Independent Degree-granting College or University, but directs payment of the refund to the Refund Designee, or



(iii) he or she will attend a Community College, or

(6) the Board approves a Termination for any other reason.

(b) Refund Amount:

(1) the refund amount shall be, as appropriate, Weighted Average Tuition Cost, Weighted Average Tuition Cost of Complete Credit State Institutions of Higher Education, Average Tuition Cost, or Lowest Tuition Cost for the last full Academic Year before refund payments begin, multiplied by the years of educational benefits acquired by the Purchaser. If all Monthly Purchases have not been made, MET will reduce a Monthly Purchase Contract refund accordingly (determined by multiplying the Monthly Purchases actually made by the appropriate percentage in section 3(g)). Any Termination fee will be deducted from the first refund payment.

FOR FULL BENEFITS CONTRACTS:

(2) if the Contract is terminated pursuant to subsection (a)(1), the refund shall be based on Weighted Average Tuition Cost.

(3) if the Contract is terminated pursuant to subsection (a)(2) or (a)(3), the refund shall be determined annually based on:

(i) if the Beneficiary directs payment to an out-of-state Institution of Higher Education or certifies that he or she will attend a Higher Education Institution with a full tuition scholarship in the coming year, Average Tuition Cost, and

(ii) for Beneficiaries not covered by subsection (b)(3)(i), Lowest Tuition Cost.

(4) if this Contract is terminated pursuant to subsection (a)(4), (a)(5), or (a)(6) the refund shall be based on Lowest Tuition Cost.

FOR LIMITED BENEFITS CONTRACTS:

(5) if the Contract is terminated pursuant to subsection (a)(1), the refund shall be based on Weighted Average Tuition Cost of Complete Credit State Institutions of Higher Education.

(6) for all other terminations, the refund shall be based on Lowest Tuition Cost.

(7) a refund shall not, in total, be less than the Prepaid Tuition Amount.

(c) Refund Payment Procedure:

(1) a refund under subsection (a)(1) or (a)(5)(iii) shall be made to the Beneficiary's Higher Education Institution to pay Tuition and Mandatory Fees. However, the total amount paid shall not exceed the maximum refund due. MET will pay the Refund Designee any portion of the refund remaining on August 15 of the fourth year following the last full Academic year before the refund commenced.

(2) a refund under subsections (a)(2), (a)(3), a(5)(i), (a)(5)(ii), or (a)(6), shall be divided by four and made in four annual installments as follows:

(i) if an annual installment is to be paid to the Higher Education Institution, the annual installment will be distributed as necessary to pay Tuition;

(ii) any balance remaining after paying Tuition for an Academic Year shall be paid at the end of the Academic Year to the Refund Designee unless otherwise notified in writing by the Beneficiary;

(iii) or any annual installment not paid to a Higher Education Institution during the year shall be paid at the end of the Academic Year to the Refund Designee unless otherwise notified in writing by the Beneficiary;

(iv) if payment is directed to the Refund Designee, the annual installment will be paid by August 15.

(3) for a refund under subsection (a)(4), a lump sum refund shall be paid within sixty (60) days after MET's approval of the Termination.

(d) Adjustment for Benefits Received: Any refund shall be reduced by the amount of educational benefits paid by MET before termination. If the Contract is terminated under subsections (a)(2), (a)(3), (a)(5)(i) or (ii) or (a)(6), the reduction shall be made in equal amounts against each annual installment.

(e) Terminated Contract: Once a Contract has been terminated and MET has paid a full or partial refund, the Contract cannot be reinstated.



(f) Limitation of Right to Terminate and Receive a Refund: Termination of this Contract and payment of a refund will not be allowed unless authorized by the MET statute and approved by the MET Board if the Beneficiary has completed more than one-half (1/2) of the credit hours required by the Beneficiary's State Institution of Higher Education for the awarding of a baccalaureate degree. This subsection shall not, however, preclude a graduate of a Community College, who has not enrolled in a State Institution of Higher Education, from terminating a Contract.

(g) Notice of Termination: A Beneficiary who requests a refund under subsections (a)(1), (2), (3), (5), or (6) must give MET written notice by July 15 prior to the Academic Year in which the refund payments are to commence or the refund may not be available at the start of the Academic Year.

SECTION 8. TERMINATIONS BY MET

(a) Fraud: MET will terminate the Contract and refund the amount paid by the Purchaser less a Termination fee and educational benefits used, if any of the following have been fraudulently stated on a Contract Signature Page or otherwise:

- (1) the age of the Beneficiary or Purchaser,
- (2) the grade of the Beneficiary,
- (3) the Academic Year which the Beneficiary is to receive benefits under the Contract,
- (4) the residency of the Beneficiary at the time the Contract is submitted to MET, or
- (5) other matters as determined by the Board.

(b) NINE YEARS TO USE BENEFITS:

- (1) NINE (9) YEARS AFTER THE JULY 15 IMMEDIATELY BEFORE THE ACADEMIC YEAR SPECIFIED IN ITEM 21 OF THE



CONTRACT SIGNATURE PAGE, MET WILL TERMINATE THIS CONTRACT AND WILL NOT PAY ANY FURTHER EDUCATIONAL BENEFITS.

(2) At that time, MET will pay the Refund Designee the Prepaid Tuition Amount to the extent it exceeds any educational benefits or refund paid under the Contract. MET may pay the refund at the end of the Academic Year in which the Beneficiary has completed all credit hours acquired under the Contract.

(c) Actuarial Unsoundness: To protect Purchasers and Beneficiaries, an actuarial review of the Plan shall be made annually. If a nationally recognized actuary determines that Plan D does not have sufficient funds to ensure the actuarial soundness of the Plan and the Board determines that there are insufficient numbers of new Contracts to ensure the actuarial soundness of Plan D, MET shall terminate all Plan D Contracts and prorate the assets of Plan D among the existing Contracts. If Plan D is liquidated, the amount to be returned is uncertain and could be less than the Prepaid Tuition Amount. Upon Termination pursuant to this subsection, MET will stop providing educational benefits from the Plan and will pay refunds determined as follows:

(1) MET will calculate the Contract's "Asset Value," which is the amount paid by the Purchaser less any educational benefits or refunds paid by MET.

(2) The refund will be a percentage of the amount of the total Plan assets after liquidating all of the Plan investments. The percentage is determined by dividing the Asset Value of this Contract by the Asset Value of all Plan Contracts. The refund shall be applied, at the option of the Refund Designee, either toward the purposes of this Contract for the Beneficiary or paid to the Refund Designee.

SECTION 9. ANNUAL REPORT

MET will have an accounting of MET assets prepared annually and make it available to the Purchaser.

SECTION 10. CONTRACT NOT SUBJECT TO JUDGMENT OR ATTACHMENT

It is the intent of the parties that this Contract shall not be subject to any judgment or attachment against the Purchaser, the Beneficiary, or any other Person.

SECTION 11. FEES

(a) The Board may impose fees for the purpose of administering MET. For two fees, the Board has established these maximum amounts:



Transfer fee	\$100.00
Termination fee	\$200.00

(b) The Termination fee and any other applicable charge shall be deducted from the first refund payment.

SECTION 12. CHANGE OF ADDRESS

The Purchaser or the Appointee shall notify MET in writing of any change of address of the Purchaser, the Beneficiary or the Appointee.

SECTION 13. GENERAL TERMS

(a) This Contract is offered pursuant to the Act and the administrative rules promulgated under the Act. This Contract should be read so that it meets the requirements of Section 529 of the United States Internal Revenue Code, any successor provision, and any applicable Internal Revenue Service regulation.

(b) Nothing in the Act or this Contract shall be construed as a promise or guarantee by MET or the State that a Beneficiary will be admitted to any or a particular Public Educational Institution, will be allowed to continue to attend a Public Educational Institution after having been admitted, or will graduate from a Public Educational Institution.

(c) This Contract may not be sold for any reason. This Contract may not be used as security for any loan.

(d) The Purchaser may change the Appointee upon written request to MET.

(e) If the Purchaser has designated the Beneficiary as the Refund Designee, the Purchaser cannot change that designation.

(f) This Contract represents the entire understanding of the parties to this Contract and may not be modified except in writing signed by the Purchaser and an authorized MET representative.

(g) If any portion of this Contract shall be found to be invalid or unenforceable by any court, that portion shall be severed from the Contract and the remainder of the Contract will remain in full force.

(h) The captions in this Contract are for convenience only and in no way limit the intent of any provision of this Contract.

(i) This Contract is to be interpreted under the laws of the State.

SECTION 14.

ATTENDANCE AT A PUBLIC EDUCATIONAL INSTITUTION PRIOR TO THE 2007-2008 ACADEMIC YEAR

(a) If a Beneficiary of a Full Benefits Contract is expected to enter college prior to the 2007-2008 Academic Year, the Prepaid Tuition Amount shall be based on the tuition at the State Institution of Higher Education with the Highest Annual Undergraduate Tuition Cost.

(b) If the Beneficiary covered by subsection (a) does not attend the State Institution of Higher Education with the highest Annual Undergraduate Tuition Cost, MET may refund the difference between the Prepaid Tuition Amount and the Tuition (if less) paid to a Public Educational Institution by MET, if the Board determines the refund won't adversely affect the Plan's actuarial soundness. This subsection does not apply if the Contract has been terminated.

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COMMUNITY COLLEGE CONTRACT

SECTION 2.

MET's OBLIGATIONS

(a) Upon MET's acceptance of the Contract and the Beneficiary's enrollment at a Community College, MET will pay for one-quarter (1/4) of the credit hours required for a two-year associate degree at the Beneficiary's Community College at the In-District Tuition Rate multiplied by the semesters of educational benefits acquired by the Purchaser. MET guarantees to pay these educational benefits from the assets of the Plan.

(1) MET will stop providing benefits under this Contract when MET has paid the credit hours purchased, regardless of the number of credit hours the Beneficiary has accumulated toward graduation at his or her Community College. The Beneficiary can accumulate fewer credit hours than MET has paid if the Beneficiary drops classes, fails classes, repeats classes, takes classes at another Community College which do not transfer to the Beneficiary's Community College or for other reasons. A standard associate degree usually consists of 60 semester credit hours.

(2) MET will only pay educational benefits and provide refunds under the Contract from the assets of the Plan. The ability of MET to pay benefits and provide refunds under the Contract is not guaranteed by the State of Michigan.

(b) The Beneficiary must meet the Community College's residency requirements to be eligible for that institution's In-District Tuition Rate. The Beneficiary is responsible for the difference between the In-District Tuition Rate and Out-of-District Tuition rate.

SECTION 3.

PAYMENT AND CONTRACT ACCEPTANCE

(a) Contract Acceptance: MET has no obligation to the Beneficiary until it accepts this Contract. MET will accept this Contract only after it receives:

(1) a properly completed Contract Signature Page signed by the Purchaser, who must be 18 years

of age or older, a designated custodian under the Michigan Uniform Transfers to Minors Act (UTMA) (who may name the minor as the purchaser) or a court appointed conservator or guardian, and

(2) payment of a properly calculated Total from Item 27 of the Contract Signature Page. Payment must be in the form of a cashier's check, certified check, or money order payable to Michigan Education Trust or if enrolling online through electronic funds transfer.

(b) Confirmation of Acceptance: MET will send a confirmation of Contract acceptance to the Purchaser within 90 days from MET's receipt of the Contract Signature Page. If the Purchaser does not receive confirmation, the Purchaser should notify MET in writing.

FOR LUMP SUM CONTRACTS:

(c) Insufficient Payment: If the Purchaser pays less than the total Prepaid Tuition Amount and one-time processing fee due for this Contract, MET will notify the Purchaser. If MET sends a notice, the Purchaser shall advise MET by mail, return receipt requested, that he or she will do one of the following and, if (1) is selected, enclose payment:

(1) pay the additional amount necessary to purchase the number of semesters specified in Item 15 of the Contract Signature Page,

(2) accept an adjusted amount of educational benefits to reflect what the actual payment submitted could purchase when MET received the payment, or

(3) withdraw the Contract offer. MET will then return to the Purchaser the amount paid by the Purchaser (without interest).

If MET does not receive instructions from the Purchaser and, if appropriate, payment within



20 business days of the date notice is sent, MET shall reduce the amount of educational benefits consistent with subsection (c)(2).

(d) Payment Credit: Upon acceptance of this Contract, MET shall credit the Advance Tuition Payment Fund with the amount paid less the one-time processing fee.

FOR MONTHLY PURCHASE CONTRACTS:

(e) Monthly Purchase Amounts: If the Monthly Purchase option is selected, the Purchaser will acquire educational benefits by submitting Monthly Purchase Amounts to MET. If MET accepts the Contract, MET will advise the Purchaser of the term of the Contract, the Monthly Purchase Amount, and the dates the Monthly Purchase Amounts are due. Monthly Purchase amounts include 8.1% rate of return, therefore the total amount paid will be more than if paid by lump sum. Payments must be made in full Monthly Purchase Amounts. Partial payments will not be accepted.

(f) No Obligation To Purchase: Payment of the Monthly Purchase Amounts by the Purchaser is voluntary. MET cannot compel the Purchaser to acquire educational benefits under this Contract.

(g) Benefits Earned: The Purchaser will acquire educational benefits only for Monthly Purchase Amounts accepted by MET. Each Monthly Purchase Amount accepted by MET will earn the following percentage of the years of Tuition to be purchased by this Contract:

<u>Contract Term</u>	<u>Percent Purchased (Rounded)</u>
4 years	2.08%
7 years	1.19%
10 years	0.83%
15 years	0.56%

(h) Acceptance Of Payment: Upon acceptance of a Monthly Purchase Amount, MET will deposit the Monthly Purchase Amount in the Beneficiary's account.

(i) Late Payments: If a Monthly Purchase Amount is not paid by its due date, MET will accept the payment only if it is made within 60 days of the due date and is accompanied by a \$10.00 late fee.

(j) Failure To Make Payments: If any Monthly Purchase Amount (and any late fee due) is not paid within 60 days after its due date, the Purchaser will lose the opportunity to submit any further Monthly Purchase Amounts under this Contract. Should that occur, the Purchaser has 60 days to pay the Contract in full. Thereafter, MET will not accept any payments under the Contract.

(k) Full Payment Option: As long as the Purchaser has not lost the opportunity to make payments under Section 3(j), the Purchaser may pay the Contract in full by submitting all unpaid Monthly Purchase Amounts to MET. The Purchaser may submit Monthly Purchase Amounts early. If the Purchaser pays the entire balance due more than one year before the final payment is due, MET will provide the Purchaser an early payment discount.

(l) Contract Term: The term of monthly purchases must end before the Academic Year the Beneficiary is projected to attend a Higher Education Institution.

SECTION 4. MAXIMUM AMOUNT OF BENEFITS

A Beneficiary may not accumulate more than four years of MET educational benefits.

SECTION 5. NOTIFICATION OF INTENT TO RECEIVE EDUCATIONAL BENEFITS

(a) A Beneficiary who intends to begin using educational benefits at the start of an Academic Year must notify MET in writing by June 1 prior to that Academic Year.

(b) A Beneficiary who intends to begin using educational benefits other than at the start of an Academic Year must submit a written request to receive benefits at least three months before the requested commencement date.



SECTION 6. TRANSFER TO AN IMMEDIATE FAMILY MEMBER

(a) Any unused educational benefits may be transferred with MET's written approval to an Immediate Family member, if:

- (1) the Beneficiary dies or becomes Disabled, or
- (2) after reaching 18 years of age or receiving a high school diploma, the Beneficiary requests a transfer.

(b) The Beneficiary must request a Transfer. A mentally disabled Beneficiary or a Beneficiary under 18 years of age must be represented by a legal guardian. If the Beneficiary has died, the Refund Designee (or, if the Refund Designee is deceased, the personal representative of the Refund Designee) may request a Transfer. The Transfer shall be subject to:

- (1) payment of a Transfer fee, if any, and
- (2) payment to MET of the amount necessary to reimburse MET for any additional expense or loss of income associated with the Transfer to an older Beneficiary.

If a Contract is transferred to an older Beneficiary who was ineligible for a Contract when the Contract was purchased, the additional amount charged will be:



(i) the highest Tuition charged at a Community College among all Community Colleges in the 2004-05 Academic Year, minus the amount the Purchaser paid for one year of educational benefits;

(ii) add the amount determined in subparagraph (i) to the loss of investment income for the period from the date the Contract was accepted until the date of Transfer. The rate of return assumed will be 8.1 percent per year;

(iii) multiply the amount determined in subparagraph (ii) by the number of years and/or fraction of year being transferred.

(3) the Person requesting the Transfer and the proposed New Beneficiary (or the parent or guardian of the New Beneficiary if the New

Beneficiary is a minor) must certify in writing that no payment has been or will be made to anyone (except MET) for the Transfer.

(c) Only a Transfer to an Immediate Family member is allowed.

SECTION 7. TERMINATION AND REFUNDS

(a) Reasons For Termination: This Contract may be terminated upon written request to MET by the Beneficiary (or a Person with legal authority to act regarding subsection (a) (4)) if:



(1) the Beneficiary has reached 18 years of age or has received a high school diploma and certifies that he or she will:

- (i) attend a State Institution of Higher Education or an Independent, Degree-granting College or University,
- (ii) attend an Out-of-State Institution of Higher Education, or
- (iii) attend a Community College or Higher Education Institution with a full Tuition scholarship,

(2) the Beneficiary has died or is Disabled,

(3) the Beneficiary has reached 18 years of age or has received a high school diploma and certifies that he or she will not attend a Community College or a Higher Education Institution, or

(4) the Board approves a Termination for any other reason.

(b) Refund Amount:

(1) the refund amount shall be, as appropriate, Weighted Average Tuition Cost, Average Tuition Cost, or Lowest Tuition Cost for the last full Academic Year before refund payments begin, multiplied by the years of educational benefits acquired by the Purchaser. If all Monthly Purchases have not been made, MET will reduce a Monthly Purchase Contract refund accordingly (determined by multiplying the Monthly

Purchases actually made by the appropriate percentage in Section 3(g)). Any Termination fee will be deducted from the first refund payment.

(2) if the Contract is terminated pursuant to subsection (a)(1), the refund shall be based on:

- (i) if the Beneficiary directs payment to a State Institution of Higher Education or an Independent, Degree-granting College or University, Weighted Average Tuition Cost,
- (ii) if the Beneficiary directs payment to an Out-of-State Institution of Higher Education or if the Beneficiary will attend a Community College or Higher Education Institution with a full tuition scholarship, Average Tuition Cost, and
- (iii) for Beneficiaries not covered by (i) or (ii), Lowest Tuition Cost.

(3) if this Contract is terminated pursuant to subsection (a)(2), (a)(3), or (a)(4) the refund shall be based on Lowest Tuition Cost.

(4) a refund shall not, in total, be less than the Prepaid Tuition Amount.

(c) Refund Payment Procedure:

(1) a refund under subsection (a)(1)(i) shall be made to the Beneficiary's Higher Education Institution to pay Tuition and Mandatory Fees. However, the total amount paid shall not exceed the maximum refund due.

(2) a refund under subsections (a)(1), (a)(3), or (a)(4) shall be divided by two and made in two annual installments as follows:

- (i) if an annual installment is to be paid to the Higher Education Institution, the annual installment will be distributed as necessary to

pay Tuition (and Mandatory Fees for subsection a(1)(i) refunds);

- (ii) any balance remaining after paying Tuition for an Academic Year shall be paid at the end of the Academic Year to the

Refund Designee unless otherwise notified in writing by the Beneficiary;

- (iii) or any annual installment not paid to a Higher Education Institution during the year



shall be paid at the end of the Academic Year to the Refund Designee unless otherwise notified in writing by the Beneficiary;

- (iv) if payment is directed to the Refund Designee, the annual installment will be paid by August 15.

(3) for a refund under subsection (a)(4), a lump sum refund shall be paid within sixty (60) days after MET's approval of the Termination.

(d) Adjustment for Benefits Received: Any refund shall be reduced by the amount of educational benefits paid by MET before termination. If the Contract is terminated under subsections (a)(1), (a)(3), or (a)(4) the reduction shall be made in equal amounts against each annual installment.

(e) Terminated Contract: Once a Contract has been terminated and MET has paid a full or partial refund, the Contract cannot be reinstated.

(f) Notice of Termination: A Beneficiary who requests a refund under subsections (a)(1), (3), or (4) must give MET written notice by July 15 prior to the Academic Year in which the refund payments are to commence or the refund may not be available at the start of the Academic Year.

SECTION 8. TERMINATIONS BY MET

(a) Fraud: MET will terminate the Contract and refund the amount paid by the Purchaser less a Termination fee and educational benefits used, if any of the following have been fraudulently stated in a Contract Signature Page or otherwise:

- (1) the age of the Beneficiary or Purchaser,
- (2) the grade of the Beneficiary,
- (3) the Academic Year which the Beneficiary is to receive benefits under the Contract,
- (4) the residency of the Beneficiary at the time the Contract is submitted to MET, or
- (5) other matters as determined by the Board.



(b) NINE YEARS TO USE BENEFITS:

(1) NINE (9) YEARS AFTER THE JULY 15 IMMEDIATELY BEFORE THE ACADEMIC YEAR SPECIFIED IN ITEM 21 OF THE CONTRACT SIGNATURE PAGE, MET WILL TERMINATE THIS CONTRACT AND WILL NOT PAY ANY FURTHER EDUCATIONAL BENEFITS.

(2) At that time, MET will pay the Refund Designee the Prepaid Tuition Amount to the extent it exceeds any educational benefits or refund paid under the Contract. MET may pay the refund at the end of the Academic Year in which the Beneficiary has completed all credit hours acquired under the Contract.



(c) Actuarial Unsoundness: To protect Purchasers and Beneficiaries, an actuarial review of the Plan shall be made annually. If a nationally recognized actuary determines that Plan D does not have funds sufficient to

ensure the actuarial soundness of the Plan and the Board determines that there are insufficient numbers of new Contracts to ensure the actuarial soundness of Plan D, MET shall terminate all Plan D Contracts and prorate the assets of Plan D among the existing Contracts. If Plan D is liquidated, the amount to be returned is uncertain and could be less than the Prepaid Tuition Amount. Upon Termination pursuant to this subsection, MET will stop providing educational benefits from the Plan and will pay refunds determined as follows:

(1) MET will calculate the Contract's "Asset Value," which is the amount paid by the Purchaser less any educational benefits or refunds paid by MET.

(2) The refund will be a percentage of the amount of the total Plan assets after liquidating all of the Plan investments. The percentage is determined by dividing the Asset Value of this Contract by the Asset Value of all Plan Contracts.

The refund shall be applied, at the option of the Refund Designee, either toward the purposes of this Contract for the Beneficiary or paid to the Refund Designee.

SECTION 9. ANNUAL REPORT

MET will have an accounting of MET assets prepared annually and make it available to the Purchaser.



SECTION 10. CONTRACT NOT SUBJECT TO JUDGMENT OR ATTACHMENT

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NOTES:

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no vertical margin lines or other markings present. The paper appears to be a standard sheet of notebook paper.



MICHIGAN'S GUARANTEED TUITION PROGRAM

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3698 (Rev. 9-04)